

## CONFERENCE COMMITTEE REPORTS

**Conf. Com. Rep. 1-14 on S.B. No. 2901**

The purpose of this measure is to facilitate expedient compliance with federal motor carrier safety regulations by amending or deleting statutory provisions containing federal requirements that are currently addressed in the Hawaii Administrative Rules or are otherwise unnecessary.

Your Committee on Conference finds that serious financial penalties can be incurred when a state does not comply with certain federal motor carrier safety regulations. Adopting these regulations by reference in administrative rules is expedient and facilitates accuracy in compliance. When placing these regulations in the Hawaii Revised Statutes, there is a possibility for noncompliance to result when numerous legislative measures are drafted and enacted. To ensure exact compliance and avoid the possibility of a contradiction between rules and statutes, the Department recommends deleting statutes and provisions of the statutes whenever they are addressed in administrative rules or otherwise deemed unnecessary.

Your Committee on Conference has amended this measure by:

- (1) Upon the recommendation of the Department of Transportation to avoid the loss of five percent of the State's federal-aid highway funds, specifying that the exemption from the Motor Carrier Safety Law for passenger carrying vehicles with a gross vehicle weight of 10,000 pounds or less used in car or van pools applies if the vehicles are used to transport less than sixteen individuals; and
- (2) Making technical, nonsubstantive 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. 2901, 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. 2901, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Espero, Kahele, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Espero).

Representatives Yamane, Rhoads, Creagan, Har and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Creagan, Har).

**Conf. Com. Rep. 2-14 on S.B. No. 2657**

The purpose of this measure is to:

- (1) Require a contractor who installs a solar energy device to notify the private entity that installation may void the roofing warranties or guarantees;
- (2) Require a contractor that installs a solar energy device to obtain written approval from the roofing manufacturer and follow written instructions for waterproofing roof penetrations from the roof manufacturer unless the private entity forgoes the roofing warranty or guarantee; and
- (3) Require a roofing contractor that waterproofs roof penetrations related to the installation of a solar energy device to honor the roof warranty or guarantee; provided that if either the roofing contractor's guaranty or the roofing manufacturer's warranty is no longer in effect, the contractor who installs the solar energy device and waterproofs the penetrations shall apply the contractor's or lessor's standard labor and workmanship warranty.

Your Committee on Conference finds that before a solar energy device is installed, homeowners with properties under the control of a homeowners association must first obtain confirmation from the roofing contractor that the installation of a solar energy device by another contractor will not void the existing roof warranty. Since most roofing contractors will not warrant the work of another contractor, this prevents many homeowners from purchasing solar energy devices. This measure will establish procedures and disclaimers for the installation of solar energy devices that will not void roof warranties on common or limited common elements, while addressing the concerns of both roofing and solar energy device contractors.

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. 2657, 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. 2657, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Baker, Ihara, Ruderman and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Lee, Kawakami, Lowen, Onishi and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Lowen).

**Conf. Com. Rep. 3-14 on S.B. No. 2134**

The purpose of this measure is to amend various sections of chapter 302A, Hawaii Revised Statutes (HRS), to comply with the requirements of the federal Individuals with Disabilities Education Act.

Your Committee on Conference finds that the United States Court of Appeals for the Ninth Circuit recently held in E.R.K. v. State of Hawaii Department of Education, 728 F.3d 982 (2013), that section 302A-1134(c), HRS, which limits public school attendance to children who are under twenty years of age, violates the federal Individuals with Disabilities Education Act by denying public education to special-needs students aged twenty to twenty-one. This measure is necessary to bring Hawaii's law into compliance with the federal Individuals with Disabilities Education Act.

Your Committee on Conference has amended this measure by making this measure 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. 2134, 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. 2134, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Woodson, Ichiyama and Fale.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 4-14 on S.B. No. 2768**

The purpose of this measure is to:

- (1) Amend the compulsory education law to make kindergarten mandatory;
- (2) Develop a statewide individualized kindergarten readiness system and establish an individualized kindergarten assessment system; and
- (3) Appropriate funds to the Department of Education to develop the statewide individualized kindergarten readiness system and readiness assessment system.

Your Committee on Conference finds that Hawaii currently does not require that children attend kindergarten, although ninety-seven percent of students eligible to attend do voluntarily enroll in either public or private kindergarten classes. Those who do not attend kindergarten are typically behind their peers in their academic and social development. This measure will enhance the educational achievement of Hawaii's youth by making attendance at a public or private kindergarten mandatory, unless otherwise exempted by law.

Your Committee on Conference finds that parents who choose to home school their child will be allowed to continue to do so under this measure. In addition, this measure will not affect parents who choose to send their child to a private school, where the mandatory kindergarten age may require a child to be five years of age by a certain date that is different than July 31.

Your Committee on Conference has amended this measure by:

- (1) Reinserting section 1 of the S.D. 2 version of this measure to emphasize the importance of early childhood education and the benefit of making kindergarten mandatory;
- (2) Reinserting section 3 of the S.D. 2 version of this measure, which amends section 302A-411, Hawaii Revised Statutes (HRS), to make kindergarten mandatory;
- (3) Further amending section 302A-411, HRS, to clarify that charter schools are not exempt from the requirement to have kindergarten programs;
- (4) Amending section 302A-411, HRS, and section 302A-1132, HRS, to clarify that beginning with the 2014-2015 school year, any parent, guardian, or other person having the responsibility for, or care of, a child who will be at least five years of age on or before July 31 of the school year shall enroll the child in a public school kindergarten unless the child is enrolled at a private school or the child's attendance is otherwise exempt under this section;
- (5) Removing part II of this measure, which would have required the Department of Education to develop a statewide individualized kindergarten readiness system and establish an individualized kindergarten assessment system and appropriated funds to the Department;
- (6) Inserting an effective date of July 1, 2014; and
- (7) Making technical, nonsubstantive 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. 2768, 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. 2768, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Ige and Kidani.

Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Kidani).

Representatives Takumi, Woodson, Aquino, Awana and Matsumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 5-14 on H.B. No. 2560**

The purpose of this measure is to assist child care providers located in agriculturally designated districts in meeting the child care needs of the community by:

- (1) Allowing the continued operation of family child care homes in agriculturally designated districts if located in a farm dwelling; and
- (2) Authorizing caregivers in family child care homes to provide care for one to six, rather than three to six, children unrelated to the caregivers.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2014.

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. 2560, 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. 2560, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Nishihara, Espero, Kidani and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Espero, Kidani).

Representatives Hashem, Carroll, Wooley, Kobayashi and Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Carroll, Ward).

**Conf. Com. Rep. 6-14 on S.B. No. 2577**

The purpose of this measure is to require naturopathic physicians to complete a minimum of thirty-five hours of continuing education courses, including a minimum of fifteen hours of continuing education courses in pharmacology, during each licensing renewal biennium beginning December 31, 2017.

Your Committee on Conference finds that naturopathic education focuses primarily on natural treatments, and therefore offers very few contact hours of study on pharmacological treatment of disease. This measure encourages naturopathic physicians to stay up to date on current practices in naturopathy and pharmacology so that they may provide the best care possible to their patients.

Your Committee on Conference has amended this measure by:

- (1) Removing the requirement that the Board of Naturopathic Medicine design standards and methodology for naturopathic physicians to report and track quality metrics and health care outcomes;
- (2) Removing the requirement that the Board of Naturopathic Medicine report on the data collection of quality metrics and health care outcomes to the Legislature;
- (3) Removing the requirement that naturopathic physicians carry medical liability insurance coverage;
- (4) Clarifying that each licensee shall complete continuing education courses prior to every biennial renewal following the December 31, 2017, renewal;
- (5) Making the measure effective upon approval; and
- (6) Making technical, nonsubstantive 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. 2577, 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. 2577, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Galuteria, Nishihara and Wakai.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

Representatives Belatti, McKelvey, Rhoads, Creagan and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Rhoads).

**Conf. Com. Rep. 7-14 on S.B. No. 2589**

The purpose of this measure is to transfer law enforcement functions and authority related to harbors law enforcement from the Department of Transportation to the Department of Public Safety.

Your Committee on Conference finds that the Department of Public Safety, Sheriff Division, would be better suited than the Department of Transportation to perform law enforcement functions relating to harbors. Your Committee on Conference further finds that consolidating harbor law enforcement functions in the Department of Public Safety and requiring harbor police officers to meet state sheriff qualifications will benefit the State by standardizing skill requirements and increasing professionalism.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the transfer is effective July 1, 2016;
- (2) Inserting language to amend section 266-29, Hawaii Revised Statutes, to clarify that effective July 1, 2016, the issuance of citations or notices of infractions of the state harbors civil violations system shall be under the jurisdiction of the Department of Public Safety, and all other functions and responsibilities shall remain with the Department of Transportation;
- (3) Inserting language to amend section 353C-2, Hawaii Revised Statutes, to establish a harbors section within the Department of Public Safety, transfer harbors functions from the Department of Transportation to the Department of Public Safety, and require harbor police officers to meet the same qualifications as sheriffs of the Department of Public Safety; and
- (4) Making technical, nonsubstantive 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. 2589, 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. 2589, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Espero, Ige, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Espero).

Representatives Yamane, Aquino, Takayama, Cullen and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 8-14 on S.B. No. 2809**

The purpose of this measure is to align statutory language regarding utility ratemaking with widely accepted utility ratemaking principles and ratemaking practices already applied in Hawaii.

Your Committee on Conference finds that existing statute allows public utilities to earn a fair return on public utility property that is “actually used or useful” for public utility ratemaking purposes. However, the “used and useful” principle is widely accepted as the regulatory industry standard for determining fair value in ratemaking. Hawaii courts also use “used and useful” when deciding cases or disputes involving Hawaii’s utility ratemaking laws. This measure conforms certain sections in the Hawaii Revised Statutes with practices followed by the Public Utilities Commission and state courts when ruling on dockets and cases involving application of Hawaii’s utility ratemaking laws.

Your Committee on Conference has amended this measure by inserting an effective date of 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. 2809, 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. 2809, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Lee, Kawakami, Nishimoto, Lowen, Yamashita and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Yamashita).

**Conf. Com. Rep. 9-14 on H.B. No. 2251**

The purpose of this measure is to ensure that the Housing Loan and Mortgage Program, commonly known as the Hula Mae Multifamily Revenue Bond Program, can continue to finance the development and preservation of affordable rental housing in future years by increasing the Hula Mae Multifamily Revenue Bond Program authorization limit.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2014; and
- (2) Changing the proposed Hula Mae Multifamily Revenue Bond Program revenue bond authorization limit from \$750,000,000 to \$1,000,000,000.

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 H.B. No. 2251, 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. 2251, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hashem, Woodson, Jordan and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 10-14 on S.B. No. 2391**

The purpose of this measure is to establish a two-year pilot project to convene one working group on the island of Oahu to identify and implement management strategies for the resolution of user conflicts on public recreational lands.

Your Committee on Conference finds that establishing a working group comprising state, county, and community representatives on the island of Oahu would facilitate the identification of recreational land management solutions that are well suited for the unique challenges faced in the particular site selected to be the focus of the working group.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2014.

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. 2391, 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. 2391, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Solomon, Espero, Dela Cruz, Galuteria and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Evans, Lowen, Kawakami and Matsumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 11-14 on S.B. No. 2877**

The purpose of this measure is to clarify that no use permit issued to a corporation or other business entity for a state small boat harbor facility may be transferred unless specifically provided by law. This measure also exempts transfers of stock or interest in a corporation or other business entity between immediate family members solely for the purpose of estate planning purposes from paying the passenger-carrying capacity business transfer fee to the Department of Land and Natural Resources.

Your Committee on Conference finds that this measure seeks to clarify that use permits issued to a corporation or other business entity for a state small boat harbor facility may only be transferred if the corporation or other business entity holds a valid commercial use permit. This measure prevents people from bypassing the waitlist for a regular mooring permit by acquiring a corporation or other business entity holding a regular mooring permit.

Your Committee on Conference has amended this measure by:

- (1) Upon the recommendation of the Attorney General, clarifying the definition of "controlled group" to mean parent-subsidiary corporations, brother-sister corporations, or constructive owner; and
- (2) Changing the effective date to July 1, 2014.

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. 2877, 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. 2877, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Solomon, Dela Cruz, Galuteria, Taniguchi and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Evans, Lowen, Hanohano, Say and Fale.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Say).

**Conf. Com. Rep. 12-14 on S.B. No. 651**

The purpose of this measure is to:

- (1) Prohibit the Hawaii Public Housing Authority from entering into or renewing any lease, rental agreement, permit, or license, including month-to-month tenancy, effective July 1, 2014, unless the lease, rental agreement, permit, or license prohibits smoking in the public housing project; and
- (2) Authorize the Hawaii Public Housing Authority to terminate any lease, rental agreement, permit, or license for smoking anywhere other than within a designated smoking area of the public housing project when smoking is prohibited.

Your Committee on Conference finds that there are many hazards caused by involuntary exposure to tobacco smoke. The United States Surgeon General has found that there is no safe level or amount of exposure to secondhand smoke.

Your Committee on Conference has amended this measure by:

- (1) Deleting language prohibiting the Hawaii Public Housing Authority from entering into or renewing any lease, rental agreement, permit, or license, including month-to-month tenancy, effective July 1, 2014, unless the lease, rental agreement, permit, or license prohibits smoking in the public housing project;
- (2) Inserting language prohibiting smoking in any public housing project, elder or elderly household, or state low-income housing project, including individual housing units, common areas, community facilities, and areas within twenty feet from each building, entrance, exit, window, and ventilation intake that serves an enclosed or partially enclosed area;
- (3) Requiring that designated smoking areas be at least twenty feet, rather than twenty-five feet, from any building, or any greater distance that would ensure the secondhand smoke does not infiltrate any dwelling unit;
- (4) Inserting language requiring the Authority to place and maintain "No smoking" signage at all entrances and exits of the property and allowing the Authority to display additional signage for the purpose of conspicuous notice;
- (5) Inserting a definition of "common areas";
- (6) Inserting a definition of "smoking";
- (7) Removing the notice provision requiring the Authority to notify a tenant in writing of noncompliance with the smoking prohibition;
- (8) Removing language providing for termination of a lease, rental agreement, permit, or license, including a month-to-month tenancy, and eviction from the dwelling unit if a tenant fails to comply with the smoking prohibition;
- (9) Authorizing termination of the lease, rental agreement, permit, or license and the eviction of a tenant upon a third violation, rather than the first violation, of the smoking prohibition by a resident, a guest who is visiting a resident, or any member of the resident's household; and
- (10) Making technical, nonsubstantive 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. 651, 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. 651, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hee, Green, Ihara and Slom.

Managers on the part of the Senate.

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

Representatives Hashem, Rhoads, Ing and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 13-14 on S.B. No. 2048**

The purpose of this measure is to:

- (1) Amend the definition of "service area" to include "franchise area";
- (2) Authorize the Director of Commerce and Consumer Affairs to designate access organizations in each franchise area;
- (3) Delete the requirement that the Department of Commerce and Consumer Affairs conduct annual management and financial audits of designated public, educational, or governmental access channels; and
- (4) Remove the sunset provision in Act 19, Session Laws of Hawaii 2011.

Your Committee on Conference finds that this measure allows the Director of Commerce and Consumer Affairs to permanently designate an access organization in each franchise area to oversee public, educational, or governmental channels and ensures that the Cable Advisory Committee retains the ability to advise the Director and access organizations on certain matters.

Your Committee on Conference further finds that this measure deletes the requirement that the Department of Commerce and Consumer Affairs conduct annual management and financial audits of designated public, educational, or governmental access organizations, as these organizations are already required to provide annual independently audited financial statements to the Department. However, your Committee on Conference notes that according to the Department of Commerce and Consumer Affairs, the Department still retains the authority and discretion to conduct periodic audits of designated public, educational, or governmental access organizations. The Department of Commerce and Consumer Affairs has also indicated a willingness to mandate periodic management and financial reviews in the contracts with the designated public, educational, or governmental access organizations, thus ensuring sufficient oversight and transparency.

Your Committee on Conference has amended this measure by inserting an effective date of June 29, 2014.

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. 2048, 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. 2048, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi and Slom.  
Managers on the part of the Senate.  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, none.

Representatives McKelvey, Rhoads, Kawakami, Lee and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 14-14 on S.B. No. 2742**

The purpose of this measure is to initiate a revolutionary and innovative public and private partnership to be known as the Pacific-Asia Institute for Resilience and Sustainability.

Your Committee on Conference finds that the Pacific-Asia Institute for Resilience and Sustainability is envisioned to provide an opportunity for a new generation of leaders to emerge who have the ability to learn from emerging trends and to meet global challenges. The Institute's multi-disciplinary and multi-sector approach to community resilience addresses a blind spot in the global discourse of how nations and the people in each nation respond to a wave of disruptive change that permeates throughout the world.

Your Committee on Conference has amended this measure by:

- (1) Deleting the creation of a new chapter in statute, and instead enacting the language as session law;
- (2) Deleting references to establishment of the Institute as a nonprofit entity under chapter 414D, Hawaii Revised Statutes;
- (3) Designating the Office of the Lieutenant Governor to act as the State's liaison to assist the Institute in carrying out its duties;
- (4) Making discretionary, rather than mandatory, certain activities of the Institute and the Institute's pursuit of funding from various entities;
- (5) Making the Institute eligible for grants and subsidies under chapter 42F;
- (6) Changing the effective date to upon approval; and
- (7) Making technical, nonsubstantive 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. 2742, 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. 2742, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takai, Cullen, Choy and Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 15-14 on H.B. No. 452**

The purpose of this measure is to increase protections for voting rights by:

- (1) Prohibiting the inclusion of false information about the time, date, place, or means of voting in any advertisement that is broadcast, televised, circulated, published, distributed, or otherwise communicated; and
- (2) Expanding the offense of election fraud to include any person who knowingly broadcasts, televises, circulates, publishes, distributes, or otherwise communicates, including by electronic means or advertisement, false information about the time, date, place, or means of voting with the purpose of impeding, preventing, or otherwise interfering with the free exercise of the elective franchise.

Your Committee on Conference has amended this measure by:

- (1) Deleting language amending the definition of "advertisement;"
- (2) Clarifying that the amendments made to section 11-391, Hawaii Revised Statutes, regulating advertisements for election purposes, shall take effect immediately upon the passage of this measure and shall supersede amendments to that section previously scheduled to take effect on November 5, 2014, pursuant to Act 112, Session Laws of Hawaii 2013; 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. 452, 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. 452, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, Brower, Lee and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 16-14 on H.B. No. 1641**

The purpose of this measure is to strengthen the privacy rights of Hawaii residents by:

- (1) Providing that a governmental entity can require a provider of electronic communication service or a provider of remote computing services to disclose the contents of an electronic communication pursuant only to a search warrant;
- (2) Specifying that a provider of electronic communication service or remote computing services is required to disclose a record or other information pertaining to a subscriber to, or customer of, the service, other than the contents of an electronic communication, to a governmental entity only when presented with a court order that seeks the disclosure of transactional records, other than real-time transactional records; and
- (3) Specifying that a governmental entity must demonstrate probable cause to obtain a court order for the disclosure of transactional records.

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. 1641, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1641, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Wakai, Hee, Ihara, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Shimabukuro).

Representatives Rhoads, Har, Nakashima and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Har).

**Conf. Com. Rep. 17-14 on S.B. No. 2082**

The purpose of this measure is to:

- (1) Clarify that the schedule of fees established in section 501-218(a), Hawaii Revised Statutes, is not intended to be a comprehensive schedule of all fees payable under chapter 501, Hawaii Revised Statutes, relating to Land Court registration; and
- (2) Specifically authorize the Supreme Court of Hawaii, Department of Land and Natural Resources, and Department of Accounting and General Services to revise, amend, add to, or eliminate fees payable under the schedule.

Your Committee on Conference finds that this measure does not attempt to alter or amend the existing schedule of fee items but rather seeks to clarify and establish that the respective branch of government or department may establish and amend, from time to time, its own schedule of fees for the services it performs.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2014.

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. 2082, 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. 2082, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Solomon, Hee, Dela Cruz, Galuteria and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Evans, Rhoads, Lowen, Har, Say and Matsumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Har, Say).

**Conf. Com. Rep. 18-14 on S.B. No. 2953**

The purpose of this measure is to allocate to the Department of Hawaiian Home Lands an unspecified amount of the royalties received by the State from geothermal resources located on lands under the jurisdiction of the Department.

Your Committee on Conference finds that although geothermal development in Hawaii has contributed to greater energy diversification of the State, the cultural, health, and environmental concerns related to the development of geothermal energy must be carefully and properly addressed and managed. This measure provides a fair allocation of geothermal mining royalties while providing a needed source of revenue to support the Department of Hawaiian Home Lands' programs, including homestead lot development, loans, and rehabilitation programs, and administration expenses to support these programs.

Your Committee on Conference has amended this measure by:



- (1) Specifying that one hundred percent of the royalties received by the State from geothermal resources located on lands under the jurisdiction of the Department of Hawaiian Home Lands shall be paid to the Department; and
- (2) Changing the effective date to July 1, 2014.

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. 2953, 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. 2953, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Solomon, Shimabukuro, Espero, Dela Cruz and Slom.

Managers on the part of the Senate.

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

Representatives Evans, Hanohano, Luke, Cullen, Lee and Fale.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Lee, Fale).

**Conf. Com. Rep. 19-14 on S.B. No. 3121**

The purpose of this measure is to require legislative approval of any exchange of public land for private land by majority vote of both houses of the Legislature.

Your Committee on Conference finds that existing law subjects any exchange of public land for private land to disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives. Your Committee on Conference believes that by requiring legislative approval rather than disapproval, this measure will require an affirmative action of the Legislature in order to approve any public land exchange.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2014.

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. 3121, 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. 3121, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Solomon, Dela Cruz, Galuteria, Kahele and Slom.

Managers on the part of the Senate.

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

Representatives Evans, Luke, Lowen, Nishimoto and Matsumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 20-14 on S.B. No. 2330**

The purpose of this measure is to update the composition, leadership, and meeting requirements of the Kaneohe Bay Regional Council to facilitate the Council's activities for the protection and management of Kaneohe Bay.

Your Committee on Conference finds that the Kaneohe Bay Regional Council has not functioned at optimal capacity in recent years. In fact, your Committee on Conference is aware that it is difficult for the Council to achieve quorum, creating a lack of adequate meetings during which the Council can perform its business. This measure is intended to address that issue as well as other concerns.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Council to hold meetings quarterly, rather than semi-annually, on the status of the implementation of the master plan; and
- (2) Changing the effective date to July 1, 2014.

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. 2330, 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. 2330, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Solomon, Tokuda and Slom.

Managers on the part of the Senate.

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

Representatives Hanohano, Kawakami, Ito, Say and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 21-14 on H.B. No. 737**

The purpose of this measure is to statutorily implement a proposed constitutional amendment that authorizes the State to issue special purpose revenue bonds and use the bond proceeds to assist agricultural enterprises, rather than only agricultural enterprises serving important agricultural lands.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2014 and upon ratification of the necessary constitutional amendments by the voters.

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. 737, 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. 737, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Wooley, Onishi, Tokioka and Matsumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 22-14 on H.B. No. 1814**

The purpose of this measure is to modernize the laws relating to the payment of wages and other compensation by:

- (1) Authorizing employers to pay wages to an employee using a pay card if certain conditions are met;
- (2) Reflecting direct deposit as a current practice in the payment of wages under certain conditions; and
- (3) Holding an employer responsible for any fees incurred due to insufficient funds in the employer's bank account for an electronic transfer of the employee's wages.

Your Committee on Conference has amended this measure by:

- (1) Deleting findings about the groups of employees served by pay cards;
- (2) Specifying that an employer shall not pay wages due to its employees by use of a pay card unless:
  - (A) The employee is given the option of receiving wages by direct deposit, paper check, or pay card before the employee chooses a method of payment;
  - (B) The employer is responsible for fees that have been assessed outside the pay card fee schedule;
  - (C) The pay card allows the employee to make at least three free withdrawals, at least one of which permits withdrawal of the full amount of the employee's net wages on the card during each pay period;
  - (D) The pay card provides the employee with means to access the balance or other account information by telephone free of charge;
  - (E) The pay card provides the employee with a free of charge, readily accessible electronic history of the employee's account transactions covering at least 60 days preceding the date the employee electronically accesses the account;
  - (F) Upon oral or written request or via electronic signature by the employee, the pay card provides the employee with a written history of the account transactions covering at least 60 days prior to the employee's request; and
  - (G) The pay card does not assess an overdraft fee or charge against an employee or the employee's account;
- (3) Specifying that pay card transactions and direct deposits shall be conducted through a federally insured depository institution;
- (4) Allowing an employer to pay wages to an employee by direct deposit to an employee's account; provided that the employee has voluntarily authorized the direct deposit of wages in writing or via electronic signature;
- (5) Changing its effective date to July 1, 2014; and
- (6) 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 H.B. No. 1814, 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. 1814, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, McKelvey, Evans, Ing and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Evans).

**Conf. Com. Rep. 23-14 on H.B. No. 2448**

The purpose of this measure is to authorize the Hawaii Housing Finance and Development Corporation to issue bonds to finance the development of infrastructure for land owned by an eligible developer whose housing project approval by the State or a county requires the construction of affordable housing.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2014; 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 H.B. No. 2448, 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. 2448, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hashem, Woodson, Jordan, Oshiro and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Oshiro).

**Conf. Com. Rep. 24-14 on H.B. No. 1604**

The purpose of this measure is to encourage compliance with campaign finance laws by providing that certificates of election be delivered to a person elected only after the person has:

- (1) Filed reports required under sections 11-331 and 11-333, Hawaii Revised Statutes, rather than expense statements; and
- (2) Paid any fines assessed by the Campaign Spending Commission.

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. 1604, 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. 1604, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, Ing, Belatti and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Belatti).

**Conf. Com. Rep. 25-14 on H.B. No. 2188**

The purpose of this measure is to repeal the Waiialua Loan and Subsidy Program, Kikala-Keokea Housing Revolving Fund, and Kikala-Keokea Infrastructure Development Fund, which are essentially nonfunctional, and deposit any residual amounts left in either the Program or Funds into the Rental Assistance Revolving Fund or general fund.

Your Committee on Conference has amended this measure by changing its effective date to 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. 2188, 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. 2188, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hashem, Woodson, Jordan, Oshiro and Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Jordan, Oshiro).

**Conf. Com. Rep. 26-14 on H.B. No. 2139**

The purpose of this measure is to allow county council members greater communication with the public, while ensuring transparency, by authorizing county councils to hold limited meetings as part of another board or community group meeting, where any number of county council members may attend, subject to certain limitations.

Your Committee on Conference has amended this measure by:

- (1) Accelerating its repeal date to June 30, 2016; 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. 2139, 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. 2139, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Hee, Galuteria, Ihara and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

Representatives Rhoads, Belatti, Lee and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 27-14 on H.B. No. 1706**

The purpose of this measure is to deter illegal parking on bicycle lanes and bicycle paths by increasing the minimum penalty for driving or parking a motor vehicle on a bicycle lane or path.

Your Committee on Conference has amended this measure by:

- (1) Making the offense of parking a motor vehicle on a bicycle lane or bicycle path a non-discretionary fine of \$200 that shall be deposited into the State Highway Fund;
- (2) Changing the effective date to July 1, 2014; 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. 1706, 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. 1706, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Rhoads, Takayama and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 28-14 on H.B. No. 1811**

The purpose of this measure is to extend the sunset date of Act 46, Session Laws of Hawaii 2012, to provide the Department of Transportation more time to complete lease or permit negotiations and reach an agreement with airport concessionaires.

Your Committee on Conference has amended this measure by:

- (1) Specifying that Act 46, Session Laws of Hawaii 2012, shall be repealed on July 1, 2015; and
- (2) Changing the effective date to June 30, 2014.

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. 1811, 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. 1811, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Takayama, Ichiyama and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 29-14 on H.B. No. 1750**

The purpose of this measure is to expand the offense of Violation of Privacy in the First Degree to include knowingly disclosing an image or video of another identifiable person either in the nude or engaging in sexual contact without the consent of the depicted person with intent to harm substantially the depicted person.

Your Committee on Conference has amended this measure by:

- (1) Replacing the term "sexual contact" with "sexual conduct," which expands the range of sexual activities included in the prohibition;
- (2) Clarifying that the exemptions to this offense provide immunity for:

- (A) The distribution of images or videos made of the depicted person while voluntarily nude or voluntarily engaging in sexual conduct in public, or pursuant to a voluntary commercial transaction; and
  - (B) The providers of electronic communication service or remote computing service for images or videos disclosed through the service by another person; 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. 1750, 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. 1750, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Rhoads, Brower, Tsuji and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 30-14 on S.B. No. 2729**

The purpose of this measure is to:

- (1) Amend the fines relating to penalties for violation of the mobile electronic devices law by imposing a fine of not less than \$250 to be deposited into the state highway fund, and a fine of \$400 to be paid to the Director of Finance if the violation occurs in a school zone or construction area; and
- (2) Clarify that a violation is deemed to be a traffic infraction.

After the passage of Act 74, Session Laws of Hawaii 2013, which enacted the mobile electronic devices law (codified as section 291C-137, Hawaii Revised Statutes), the Legislature received numerous public complaints about the onerous burden of requiring violators to make a court appearance. Your Committee on Conference prefers not to force violators to appear in court. Particularly for neighbor islands, a person is likely to have to travel many miles to appear in court and wait for the case to be called, which consumes a whole day's worth of time. According to testimony of the Judiciary on this measure, "Since the inception of the current law there have been 7,184 mobile device cases statewide of which 4,171 cases have been adjudicated. However, in almost 900 of these cases a bench warrant has been issued for those defendants who did not make a court appearance. In some cases where the warrants have been served, defendants have also been convicted of contempt of court for failure to appear. For these cases, defendants have a criminal conviction record which is recorded in the Hawaii Criminal Justice Center's CJIS database."

Your Committee on Conference prefers to allow violators to mail in the fine without a court appearance for persons age eighteen and older, which greatly reduces crowded District Court calendars and avoids the possibility of having a criminal record. Your Committee on Conference finds that a traffic infraction does not require a court appearance under section 291D-3, Hawaii Revised Statutes, unless a violator requests a trial.

Your Committee on Conference has amended this measure by:

- (1) Adding an exemption for drivers of vehicles that are at a complete stop, while the engine is turned off, in a safe location by the side of the road out of the way of traffic;
- (2) Clarifying the definition of "operate" to mean to drive or assume actual physical control of the vehicle upon a public way, street, road, or highway, including operation while temporarily stationary because of traffic, a traffic light, or a stop sign;
- (3) Setting a flat fine of \$250 for a violation;
- (4) Reducing the fine from \$400 to \$300 for violations occurring in a school zone or construction area;
- (5) Specifying that any violation is deemed a traffic infraction, so as to negate the necessity of appearing in court to respond;
- (6) Changing the effective date to July 1, 2014; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Conference believes that the flat fine in the measure as amended, will increase revenues that are to be deposited into the state highway fund and the general fund. Thus, this amended measure represents a win-win compromise.

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. 2729, 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. 2729, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Hee, Keith-Agaran, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Yamane, Rhoads, Yamashita and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 31-14 on S.B. No. 2799**

The purpose of this measure is to:

- (1) Authorize the Hawaii Housing Finance and Development Corporation Board of Directors to set the salary of the Hawaii Housing Finance and Development Corporation Executive Director; and
- (2) Require the Board to consider altering the Executive Director's benefits package in exchange for a salary that exceeds the salary level of civil service employees.

Your Committee on Conference finds that the salary of the Executive Director of the Hawaii Housing Finance and Development Corporation should be commensurate with the salaries of other executive directors of housing finance agencies nationwide. Allowing the Board of Directors of the Hawaii Housing Finance and Development Corporation to set the salary of the Executive Director will enable the Board to recruit and retain a qualified Executive Director.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to require prior legislative approval by concurrent resolution for the salary set by the Board of Directors of the Hawaii Housing Finance and Development Corporation for the Executive Director;
- (2) Deleting language that would have required the Board of Directors of the Hawaii Housing Finance and Development Corporation to consider the option to withhold or alter the benefits package of the Executive Director in exchange for a salary that exceeds the salary level of civil service employees who are entitled to receive benefits under chapter 76, Hawaii Revised Statutes;
- (3) Deleting language that would have required the Board to submit a report to the Legislature that includes whether the Board exercised its option to withhold or alter the benefits package of the Executive Director and the Board's rationale for its decision following each adjustment to the Executive Director's salary;
- (4) Changing the effective date to upon approval; and
- (5) Making technical, nonsubstantive 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. 2799, 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. 2799, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Chun Oakland and Slom.

Managers on the part of the Senate.

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

Representatives Hashem, Nakashima, Woodson, Takayama and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 32-14 on S.B. No. 2591**

The purpose of this measure is to:

- (1) Require the chief of each county police department to submit a report to the Legislature by January 31 of each year covering misconduct incidents that resulted in suspension or discharge of a police officer during the calendar year immediately prior to the year of the report submission;
- (2) Specify the information each report must contain, including updated information from previous reports;
- (3) Require the chief of each county police department to retain the disciplinary records in accordance with the department's record retention policies or for at least eighteen months after the final report concerning that incident, whichever period is longer; and
- (4) Authorize the disclosure of certain information regarding police officers suspended for one year or more for one incident, in addition to discharged police officers.

Your Committee on Conference finds that for over a decade, the only public information available concerning final suspensions of police officers has been the annual report to the Legislature, required by section 52D-3.5, Hawaii Revised Statutes, yet these reports provide minimal detail. This measure improves the applicability of section 52D-3.5, Hawaii Revised Statutes, and creates a more informed public dialogue about misconduct by police officers while recognizing that the balance of privacy and public interest is not easily defined and is a task better suited to common law.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to specify that information relating to the disciplinary action of a police officer that results in discharge may be disclosed only after ninety days, rather than thirty days, following the issuance of a decision sustaining the discharge;
- (2) Deleting language that would have permitted the disclosure of certain information regarding police officers if suspended for one year or more for one incident; and
- (3) Making technical, nonsubstantive 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. 2591, 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. 2591, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Hee, Gabbard, Ihara and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Rhoads, Brower, Nakashima and Thielen.  
Managers on the part of the House.  
Ayes, 3; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Nakashima).

**Conf. Com. Rep. 33-14 on H.B. No. 2401**

The purpose of this measure is to:

- (1) Add a new section to Chapter 514B, Hawaii Revised Statutes, to:
  - (A) Consolidate the documents, records, and information that must be made available to any unit owner; and
  - (B) Specify that these documents, records, and information shall be provided to a unit owner no later than 30 days after the receipt of the unit owner's written request; and
- (2) Make conforming amendments to include the new section in Chapter 514B, Hawaii Revised Statutes.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the new section being added to Chapter 514B, Hawaii Revised Statutes, shall apply to condominiums organized under Chapter 514A or 514B, Hawaii Revised Statutes;
- (2) Changing its effective date to July 1, 2014; and
- (3) 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 H.B. No. 2401, 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. 2401, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hashem, McKelvey, Rhoads, Oshiro, Woodson and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Oshiro, Ward).

**Conf. Com. Rep. 34-14 on S.B. No. 2300**

The purpose of this measure is to authorize the State Fire Council to:

- (1) Establish statewide qualifications and procedures for testing, certifying, and credentialing individuals who perform maintenance and testing of portable fire extinguishers, fire protection systems, and fire alarm systems; provided that the county fire departments may establish and charge reasonable certification fees;
- (2) Develop, implement, and coordinate a statewide system to promote the effective use of fire and life safety resources; and
- (3) Adopt rules pursuant to chapter 91, Hawaii Revised Statutes, for the purposes of section 132-16, Hawaii Revised Statutes.

Your Committee on Conference finds that fire safety systems require routine maintenance to ensure reliable operability when used by fire department personnel and to protect building occupants during emergency situations. Individuals that conduct maintenance testing must be licensed; however, the current exam has not been revised for several years. This measure will allow the State Fire Council to update and establish statewide standards for the maintenance and testing of fire safety systems.

Your Committee on Conference has amended this measure by:

- (1) Removing language that would have allowed the State Fire Council to implement a statewide system to encourage the effective use of fire and life safety resources;
- (2) Amending section 1 to reflect the amended findings and purpose of this measure;
- (3) Changing the effective date to upon approval; and
- (4) Making technical, nonsubstantive 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. 2300, 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. 2300, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Aquino, McKelvey, Cachola and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 35-14 on H.B. No. 2052**

The purpose of this measure is to increase access to provider orders for life-sustaining treatment (POLST) by:

- (1) Updating references from “physician orders for life-sustaining treatment” to “provider orders for life-sustaining treatment” throughout Chapter 327K, Hawaii Revised Statutes, to accurately reflect that physicians are not the only primary care providers who may sign a POLST form on behalf of a patient;
- (2) Expanding health care provider signatory authority to include advanced practice registered nurses; and
- (3) Correcting inconsistencies over terms used to describe who may sign a POLST form on behalf of a patient.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2014.

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. 2052, 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. 2052, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Hee, Baker, Ihara and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

Representatives Belatti, McKelvey, Rhoads, Creagan and Fukumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 36-14 on H.B. No. 2213**

The purpose of this measure is to authorize an unspecified amount for the issuance of special purpose revenue bonds to assist West Maui Hospital Foundation, Inc., to finance the establishment of a hospital in West Maui.

Your Committee on Conference has amended this measure by:

- (1) Authorizing the issuance of special purpose revenue bonds of up to \$50,000,000 for the establishment of a hospital in West Maui; and
- (2) Changing its effective date to July 1, 2014.

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. 2213, 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. 2213, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Chun Oakland, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Belatti, Ing, Woodson and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 37-14 on H.B. No. 2304**

The purpose of this measure is to enable the Neurotrauma Advisory Board (Board) to function more efficiently and effectively by, among other things:

- (1) Decreasing the number of members on the Board from 21 members to 11 members;
- (2) Authorizing the Director of Health to appoint to the Board, up to three state and county representatives whose work relates to neurotrauma, to be ex officio, nonvoting members of the Board; and
- (3) Establishing quorum requirements for the Board.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2014.

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. 2304, 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. 2304, H.D. 2, S.D. 2, C.D. 1.



Signed by the Chairs on behalf of the Committee.

Senators Green, Chun Oakland and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Belatti, McKelvey, Creagan and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 38-14 on H.B. No. 611**

The purpose of this measure is to protect and promote the public health and safety of minors by:

- (1) Making it unlawful for tanning facility owners, lessees, and operators to allow individuals under the age of 18 to use tanning equipment that tans the skin with electromagnetic radiation; and
- (2) Requiring the Director of Health to impose fines on any person who violates the provisions of this measure.

Your Committee on Conference has amended this measure by:

- (1) Authorizing, rather than requiring, the Director of Health to impose fines on any person who violates the provisions of this measure; and
- (2) Changing its effective date to July 1, 2014.

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. 611, 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. 611, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Hee, Chun Oakland and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Belatti, Rhoads, Creagan, Oshiro and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Oshiro).

**Conf. Com. Rep. 39-14 on H.B. No. 1723**

The purpose of this measure is to, among other things:

- (1) Require the attending physician, in addition to the administrator, of a psychiatric facility to provide notice of intent to discharge a patient or notice of a patient's admission to voluntary treatment;
- (2) Provide that the notice requirements under section 334-60.7, Hawaii Revised Statutes (HRS), apply only to civil commitments that result directly from legal proceedings under chapters 704 and 706, HRS;
- (3) Require that a certificate of service, in addition to the notice of intent to discharge, be filed with the Family Court and served on those persons whom the order of commitment specifies as entitled to receive notice;
- (4) Allow any person entitled to receive notice to waive this right in writing with the psychiatric facility;
- (5) Increase the time, from three to five calendar days of mailing the notice, in which the administrator or attending physician of the psychiatric facility must discharge or accept the patient for voluntary inpatient treatment;
- (6) Require Family Court to conduct a hearing as soon as possible, prior to termination of a current commitment order, to determine if the patient still meets the criteria for involuntary hospitalization;
- (7) Require a person filing an objection to notify the psychiatric facility by telephone on the date the objection is filed; and
- (8) With respect to patients committed on court order from a criminal proceeding, require the administrator of a psychiatric facility to send a notice of intent to discharge or notice of the patient's admission to voluntary inpatient treatment to the prosecuting attorney of the county from which the person was originally committed, by facsimile or electronically.

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

- (1) With respect to civil commitments that do not result directly from legal proceedings under chapters 704 and 706, HRS, when the administrator or attending physician of a psychiatric facility contemplates discharge of an involuntary patient, authorizing the administrator or attending physician to assess whether an assisted community treatment plan is indicated and, if so indicated, communicate with an aftercare provider as part of discharge planning;
- (2) Specifying that with regard to notice of intent to discharge a patient under this measure, the requirements and procedures apply to Family Court; 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. 1723, 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. 1723, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Hee, Ruderman and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Belatti, Rhoads, Carroll and Fukumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Carroll).

**Conf. Com. Rep. 40-14 on H.B. No. 1823**

The purpose of this measure is to provide a process for resolving disputes regarding the fair market value or fair rental value of public land in sale, lease, or repurchase transactions involving the Board of Land and Natural Resources through mediation while preserving the existing remedy of binding arbitration.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2014; and
- (2) Making a technical, nonsubstantive amendment to correct a drafting error in the existing statutory 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 H.B. No. 1823, 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. 1823, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

Senators Solomon, Hee, Dela Cruz, Galuteria and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

Representatives Evans, McKelvey, Har, Lowen and Matsumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Har).

**Conf. Com. Rep. 41-14 on H.B. No. 1926**

The purpose of this measure is to amend various provisions of the Hawaii Penal Code. Specifically, this measure:

- (1) Deletes the conviction of Theft in the First Degree and Promoting Prostitution in the Second Degree from the class C felony offenses enumerated under the law relating to the sentencing of repeat offenders;
- (2) Adds the offenses of Promoting Prostitution in the First Degree, Promoting Prostitution in the Second Degree, and Solicitation of a Minor for Prostitution to the law relating to enhanced sentencing for repeat violent and sexual offenders;
- (3) Limits the law enforcement exemption from the offense of Prostitution to exclude acts involving sexual penetration;
- (4) Creates a safe harbor provision for minors by establishing that minors will not be prosecuted for any prostitution and promoting prostitution offenses if the minor was less than eighteen years of age at the time of the offense and the prostitution offense is the minor's first and only prostitution offense;
- (5) Amends the offense of Solicitation of a Minor for Prostitution by:
  - (A) Including solicitation of a person who represents that person's self as a minor;
  - (B) Increasing the mandatory fines for those convicted under the offense;
  - (C) Providing a law enforcement exemption; and
  - (D) Making it a strict liability offense; and
- (6) Makes Solicitation of a Minor for Prostitution ineligible for deferred acceptance of guilty or no contest pleas.

Your Committee on Conference unequivocally intends the Solicitation of a Minor for Prostitution to be a strict liability offense with regard to the age of the minor. Any specified state of mind listed therein does not apply to the age of a victim solicited under this section. Therefore, a defendant charged under this section may not defend as to the defendant's state of mind concerning the age of the victim, and will be strictly liable with respect to the age of the victim and the attendant circumstance of the victim's age.

Your Committee on Conference has amended this measure by:

- (1) Adding sadomasochistic abuse as an element of the offense of Prostitution;
- (2) Clarifying that the law enforcement exemption from the offense of Prostitution excludes acts of sadomasochistic abuse in addition to acts of sexual penetration;
- (3) Removing the safe harbor provision for minors from prosecution for prostitution and promoting prostitution offenses;

- (4) Amending the offense of Solicitation of a Minor for Prostitution to:
  - (A) Clarify that the offense applies to intentional, knowing, or reckless conduct;
  - (B) Specify that the offense applies to solicitation of a person who represents that person's self as a minor only if that person is a member of a police department, a sheriff, or a law enforcement officer; and
  - (C) Further clarify that the offense is strict liability in regards to age; 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. 1926, 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. 1926, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Galuteria.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, Kawakami, Tsuji and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Kawakami).

**Conf. Com. Rep. 42-14 on H.B. No. 2205**

The purpose of this bill is to deter property crime in Hawaii by:

- (1) Providing that for a conviction of habitual property crime, the sentence must be either:
  - (A) A mandatory minimum term of imprisonment of one year; or
  - (B) A term of probation of five years, with conditions to include but not be limited to one year of imprisonment; and
- (2) Making conforming amendments to section 706-606.5, Hawaii Revised Statutes, thereby making sentencing of repeat offenders pursuant to that section inapplicable to the offenses of criminal property damage in the third degree, theft in the third degree, and misdemeanor shoplifting.

Your Committee on Conference has amended this measure by:

- (1) Deleting language amending section 706-606.5, Hawaii Revised Statutes, that would have made sentencing of repeat offenders pursuant to that section inapplicable to the offenses of criminal property damage in the third degree, theft in the third degree, and misdemeanor shoplifting; and
- (2) Clarifying that for a person convicted of habitual property crime, the sentence will be:
  - (A) An indeterminate term of five years, with a minimum term of one year; or
  - (B) For a first conviction only, a term of probation of five years, with conditions to include but not be limited to one year of imprisonment.

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. 2205, 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. 2205, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Rhoads, Lee, Nakashima and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 43-14 on H.B. No. 2243**

The purpose of this measure is to allow qualified entities to request state and national fingerprint-based criminal history record checks on their applicants, employees, and volunteers who provide care for children, vulnerable adults, or individuals with disabilities, and to receive the results of the record checks directly.

Your Committee on Conference has amended this measure by removing language that would have required the waiver allowing the release of criminal history record information:

- (1) To be voluntary; and
- (2) To conform to requirements of the National Child Protection Act of 1993.

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. 2243, 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. 2243, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs and Speaker of the House of Representatives on behalf of the Committee.

Senators Chun Oakland, Hee, Green, Ihara and Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Representatives Aquino, Har, Kawakami and McDermott.

Managers on the part of the House.

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

**Conf. Com. Rep. 44-14 on S.B. No. 2687**

The purpose of this measure is to amend section 657-1.8, Hawaii Revised Statutes, by:

- (1) Extending the statutory period from two to four years after April 24, 2012, to allow a victim of child sexual abuse to bring a civil action against the victim's abuser or a legal entity with a duty of care, if the victim is barred from filing a claim due to the expiration of the applicable statute of limitations that was in effect prior to April 24, 2012; and
- (2) Changing the legal standard used by the court to award damages against a legal entity from a finding of gross negligence to a finding of negligence on the part of the legal entity.

Your Committee on Conference finds that child sexual abuse is an epidemic that unfortunately is not adequately addressed because a vast majority of child sexual abuse victims fail to report their sexual assaults to the authorities. Studies have estimated that between sixty to eighty percent of child sexual abuse victims withhold disclosure. Furthermore, studies examining latency in disclosure report an average delay of three to eighteen years.

In response to this issue, the Legislature passed Act 68, Session Laws of Hawaii 2012 (Act 68), to extend the statute of limitations for civil actions brought by a victim of sexual offenses as a minor against the person who committed the act and establish a two-year window to allow a victim of sexual abuse to bring a cause of action if bringing such an action was barred due to the expiration of the statute of limitations that was in effect prior to April 24, 2012. Your Committee on Conference further finds that the two-year window to allow a victim of child sexual abuse to bring a cause of action that is otherwise barred will sunset on April 24, 2014, if legislative action is not taken. This measure provides an opportunity for a victim to file a cause of action if the statute of limitations has lapsed.

Your Committee on Conference has amended this measure by:

- (1) Reinstating the legal standard used by the court to award damages against a legal entity from a finding of negligence to a finding of gross negligence on the part of the legal entity; and
- (2) Changing the effective date from July 1, 2080, 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. 2687, 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. 2687, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Galuteria.

Managers on the part of the Senate.

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

Representatives Carroll, Rhoads, Brower and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 45-14 on S.B. No. 2368**

The purpose of this measure is to codify a portion of the Model Protection of Charitable Assets Act (Act) to:

- (1) Require the Attorney General to protect charitable assets, regardless of the form in which they are held;
- (2) Authorize the Attorney General to enforce the application of the charitable asset to prevent or remedy the misapplication, diversion, waste, or breach of duty in management of a charitable asset or commence or intervene in an action to do the same; and
- (3) Authorize the Attorney General to conduct investigations.

Your Committee on Conference finds that this measure codifies section 3 of the Act. One of the major goals of the Act is to articulate the Attorney General's duty to represent the public interest in the protection of charitable assets. The Act declares and clarifies the scope of the Attorney General's duty to protect charitable assets but does not limit the authority or powers that already exist.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date from December 21, 2112, to upon approval; and
- (2) Making technical, nonsubstantive 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. 2368, 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. 2368, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives McKelvey, Rhoads, Morikawa, Belatti, Har and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Belatti, McDermott).

**Conf. Com. Rep. 46-14 on S.B. No. 1015**

The purpose of this measure is to clarify the reciprocity provision under existing law that allows the service of process issued by another state upon a Hawaii recipient. Specifically, this measure:

- (1) Clarifies that the service of process is for the production of records in the actual or constructive possession of that person or business;
- (2) Clarifies that the service of process is based upon a pending criminal investigation or prosecution in that other state;
- (3) Requires that the Hawaii recipient comply with the service of process if the issuing state has a statute authorizing the production of records held by out-of-state persons or businesses;
- (4) Specifies the types of information that the service of process issued by or in another state is required to include; and
- (5) Adds a definition of "Hawaii recipient".

Your Committee on Conference finds that existing law requires an entity located in Hawaii to comply with the criminal process issued by another state as if that process had been issued by a Hawaii court. This measure provides further clarity and addresses several concerns regarding this long-arm service of process statute.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to amend the definition of "recipient" under section 806D-1, Hawaii Revised Statutes, to clarify that a recipient is a person or business that has conducted business or engaged in transactions or activities that occurred at least in part in the state from which process was issued upon whom process is properly served;
- (2) Changing the effective date from July 1, 2050, to upon approval; and
- (3) Making technical, nonsubstantive 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. 1015, 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. 1015, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Aquino, Rhoads, Yamane and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 47-14 on S.B. No. 2682**

The purpose of this measure is to:

- (1) Establish that the financial disclosure statements of members of certain state boards, commissions, and agencies are public records and available for inspection and duplication; and
- (2) Limit the income source of the spouse or dependent child of an individual whose financial disclosure statement is a public record to the name and not the address of the business or other qualifying sources of income.

Your Committee on Conference finds that members of the public, especially those who are involved with and may be impacted by a board or commission member's action, are able to identify and raise concerns about possible conflicts of interest. This measure increases public disclosure to assist in identifying possible conflicts of interest among certain board or commission members.

Your Committee on Conference has amended this measure by:

- (1) Deleting the Hawaii Labor Relations Board and Labor and Industrial Relations Appeals Board from the list of a state boards, commissions, and agencies of which the financial disclosure statements of those members are public records and available for inspection and duplication; and
- (2) Making technical, nonsubstantive 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. 2682, 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. 2682, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro, Gabbard, Ihara and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Rhoads, Kawakami, Lee and McDermott.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Kawakami, McDermott).

**Conf. Com. Rep. 48-14 on S.B. No. 2472**

The purpose of this measure is to improve the regulation of occupational therapists and occupational therapy assistants by:

- (1) Establishing an occupational therapy program within the Department of Commerce and Consumer Affairs;
- (2) Establishing licensing requirements for occupational therapists and occupational therapy assistants;
- (3) Requiring all occupational therapy assistants to possess a valid license, effective January 1, 2017; and
- (4) Appropriating funds to implement the occupational therapy program.

Your Committee on Conference finds that licensure of occupational therapists and occupational therapy assistants will protect the public health, safety, and welfare of occupational therapy patients. This measure ensures that occupational therapy will be provided by qualified occupational therapists and occupational therapy assistants in the State.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$70,000; and
- (2) Making the appropriation effective on July 1, 2014.

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. 2472, 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. 2472, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Chun Oakland, Thielen and Slom.

Managers on the part of the Senate.

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

Representatives Belatti, McKelvey, Morikawa, Creagan, Kobayashi and Fukumoto.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, 1 (Kobayashi).

**Conf. Com. Rep. 49-14 on S.B. No. 1233**

The purpose of this measure is to:

- (1) Require private employers employing fifty or more employees to allow employees to take leaves of absence for organ, bone marrow, or peripheral blood stem cell donations;
- (2) Require employers to restore an employee returning from leave to the same or equivalent position; and
- (3) Establish a private right of action for employees seeking enforcement of provisions.

Your Committee on Conference finds that private employers are not currently required to give employees paid time off for donating organs, bone marrow, or peripheral blood stem cells. Your Committee on Conference further finds that many people in Hawaii who would otherwise donate these vital medical resources delay or altogether refrain from donation because they cannot take time off of work to do so. By requiring employers to allow employees paid time off for organ, bone marrow, and peripheral blood stem cell donation, this measure provides life-saving medical resources to benefit citizens of the State in medical need.

Your Committee on Conference has amended this measure by making the measure effective 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. 1233, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1233, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Hee, Gabbard, Ihara and Ruderman.

Managers on the part of the Senate.

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

Representatives Belatti, Nakashima, Morikawa, Carroll, Jordan and Fukumoto.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, 1 (Carroll).

**Conf. Com. Rep. 50-14 on S.B. No. 2469**

The purpose of this measure is to improve access to health care services in the State by:

- (1) Requiring equivalent insurance reimbursement for services provided by a health care provider to a patient, regardless of whether the service is provided through telehealth or via face-to-face contact between a health care provider and patient;
- (2) Clarifying the definition of "health care provider" for telehealth purposes; and
- (3) Replacing references to "telemedicine" with "telehealth" and clarifying the definition of "telehealth" throughout the Hawaii Revised Statutes.

Your Committee on Conference finds that the effective use of telehealth is vitally important in Hawaii, where many segments of the population, especially on the neighbor islands, face geographical challenges to accessing quality health care. Your Committee on Conference further finds that this measure will assist in the delivery of enhanced statewide health care services, increase access to services, and provide timely information to patients and health care providers.

Your Committee on Conference has amended this measure by:

- (1) Not requiring a second health care provider to accompany the patient when behavioral health services are provided as a condition for reimbursement for a telehealth consultation;
- (2) Requiring reimbursement for behavioral health services provided through telehealth to be equivalent to reimbursement for the same services provided via face-to-face contact between a health care provider and a patient;
- (3) Making the measure effective upon approval; and
- (4) Making technical, nonsubstantive 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. 2469, 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. 2469, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Wakai, Baker, Kidani and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

Representatives Belatti, McKelvey, Nishimoto, Creagan, Woodson and Fukumoto.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 51-14 on S.B. No. 1141**

The purpose of this measure is to:

- (1) Require public agencies with a defendant's medical, mental health, social, police, and juvenile records to release information to the court when the defendant is ordered to submit to a forensic mental health examination in order to expedite the process;
- (2) Amend Penal Code provisions to establish limits to the length of time an individual may remain on conditional release for certain criminal charges and to clarify circumstances under which the conditional release will be tolled; and
- (3) Require the Department of Health to submit a report to the Legislature detailing the number, frequency, and types of criminal offenses and violations committed by defendants discharged from conditional release.

Your Committee on Conference finds that the Governor commissioned a special action team in June 2012 to analyze causes and identify ideas to address the systemic factors contributing to the increased rate of admission and increased length of stay of persons admitted to the Hawaii State Hospital. This measure is the result of the special action team's efforts to improve the State's forensic mental health services.

Your Committee on Conference has amended this measure by:

- (1) Amending the findings section to clarify the purpose of the measure;
- (2) Removing police and expunged records from the types of records that public agencies are required to provide to the court;
- (3) Removing amendments to section 704-411, Hawaii Revised Statutes;
- (4) Removing the limitation of a conditional release to no more than one year for defendants who were charged with minor offenses;
- (5) Removing the tolling of a conditional release of no more than one year due to hospitalization and, in the case of a motion to revoke the conditional release, from the motion filing date to its determination date;
- (6) Removing the reporting requirement for the Department of Health; and
- (7) Inserting an effective date of July 1, 2014.

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. 1141, 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. 1141, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Hee, Gabbard, Wakai and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Wakai, Slom).

Representatives Belatti, Aquino, Rhoads, Morikawa and Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 52-14 on S.B. No. 2223**

The purpose of this measure is to allow the Family Court to change the name of a minor child of one or more of the parties in a divorce proceeding if the family court determines that the name change is in that child's best interest.

Your Committee on Conference finds that this measure recognizes that a name change of a minor child may be warranted as a result of a divorce by authorizing the Family Court to determine whether changing the name of a minor child is in the best interest of that child.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2080, to 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. 2223, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2223, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Carroll, Rhoads, Ito and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. 53-14 on S.B. No. 60**

The purpose of this measure is to afford victims and surviving immediate family members the right to participate in restorative justice processes, if no criminal charges are brought against a person or entity, for the harm suffered by the victim.

Your Committee on Conference finds that research has shown that restorative justice interventions are more effective at reducing repeat crime and recidivism than existing mainstream justice systems. This measure better incorporates the concept of restorative justice into the justice system by requiring notification to victims of crimes and surviving immediate family members regarding their right to participate in the restorative justice process under the basic bill of rights for victims and witnesses under section 801D-4, Hawaii Revised Statutes.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have required notification of the right to participate in restorative justice processes only if the wrongful act that harmed the victim does not result in criminal charges being brought against a person or entity;
- (2) Changing the effective date from July 1, 2050, to upon approval; and
- (3) Making technical, nonsubstantive 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. 60, 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. 60, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Carroll, Rhoads, Har, Oshiro and Fukumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Har, Oshiro).

**Conf. Com. Rep. 54-14 on H.B. No. 1618**

The purpose of this measure is to assist the Board of Land and Natural Resources in fulfilling its mission to administer state lands and resources by requiring that at least one member of the Board have demonstrated expertise in native Hawaiian traditional and customary practices in accordance with specified educational, work history, or substantial experience criteria.

Your Committee on Conference has amended this measure by making it effective upon approval and applicable to the Board upon its next vacancy.



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. 1618, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1618, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

Senators Solomon, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives Evans, Hanohano, Nishimoto and Matsumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 55-14 on H.B. No. 2163**

The purpose of this measure is to require the court to balance the interests of parents involved in a divorce proceeding by:

- (1) Requiring the court to consider frequent, continuing, and meaningful contact with each parent when awarding custody of a minor child unless the court finds that one or both parents are unable to act in the best interests of the child;
- (2) Requiring the court to consider any necessary reduction in employment due to the needs of a dependent child and wasting of assets when ordering spousal support and maintenance; and
- (3) Establishing that in the division and distribution of property as a result of a divorce, any value given for a joint investment or asset is presumed to be a joint gift, except when assets are inherited.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the wasting of assets to be considered when ordering spousal support and maintenance applies only to parents; and
- (2) Specifying that the presumption of a joint gift when dividing property as a result of a divorce:
  - (A) Applies only to parents; and
  - (B) Is a rebuttable presumption.

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. 2163, 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. 2163, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives Carroll, Rhoads, Kawakami and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 56-14 on H.B. No. 2116**

The purpose of this measure is to eliminate sentences of life imprisonment without the possibility of parole for juvenile offenders. Specifically, this measure:

- (1) Amends section 706-656, Hawaii Revised Statutes, relating to imprisonment terms for first and second degree murder and attempted first and second degree murder, to:
  - (A) Apply a sentence of life imprisonment without the possibility of parole to persons eighteen years of age or over at the time of the offense who are convicted of first degree murder or first degree attempted murder; and
  - (B) Require that persons under the age of eighteen years at the time of the offense who are convicted of first degree murder or first degree attempted murder be sentenced to life imprisonment with the possibility of parole;
- (2) Amends section 706-657, Hawaii Revised Statutes, relating to enhanced sentence for second degree murder, to apply the sentencing guidelines under this section to persons eighteen years of age or over at the time of the offense; and
- (3) Amends section 706-669, Hawaii Revised Statutes, relating to the determination of minimum terms of imprisonment, to establish a limit on the minimum term of imprisonment before a prisoner who was less than eighteen years of age at the time of the offense becomes eligible for parole.

Your Committee on Conference has amended this measure by:

- (1) Deleting the amendment to section 706-669, Hawaii Revised Statutes, relating to the determination of minimum terms of imprisonment;
- (2) Changing its effective date to upon its approval and specifying that the measure shall apply to proceedings arising on or after its effective date, and to proceedings that were begun but not concluded before its effective date; and

- (3) 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 H.B. No. 2116, 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. 2116, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Galuteria.

Managers on the part of the Senate.

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

Representatives Carroll, Rhoads, Awana and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 57-14 on H.B. No. 2034**

The purpose of this measure is to provide survivors of sexual assault with additional time to engage with the legal system by:

- (1) Extending the statute of limitations for the filing of a civil action for the recovery of damages arising from the sexual abuse of a minor that constituted or would have constituted a criminal sexual offense or criminal child abuse to the later of:
  - (A) The victim attaining the age of fifty-five, rather than twenty-six; or the person who committed the sexual abuse attaining the age of majority; or
  - (B) Three years after the victim discovers or should have discovered that the psychological injury or illness was caused by the sexual abuse;
- (2) Extending the allowable period by five additional years in which a victim of child sexual abuse may bring a civil action against the victim's abuser or an entity, except for the State or counties, if the statute of limitations for filing a civil claim as it existed prior to April 24, 2012, lapsed;
- (3) Clarifying that after April 23, 2014, damages against a legal entity in a sexual assault civil action within the allowable period after the statute of limitations has lapsed shall be awarded only if there is a finding of negligence on the part of the legal entity; and
- (4) Tolling the period of limitation for the criminal prosecution of sexual assault in the first and second degrees against a minor victim and continuous sexual assault of a minor under the age of fourteen until the victim is twenty-five years old.

Your Committee on Conference has amended this measure by:

- (1) Deleting all language applicable to extending or tolling the statute of limitations in civil actions;
- (2) Deleting language tolling the statute of limitations for criminal prosecution of sexual assault against a minor or continuous sexual assault of a minor under the age of fourteen years and inserting language that eliminates the statute of limitations for a criminal prosecution of sexual assault in the first or second degree and continuous sexual assault of a minor under the age of fourteen years; and
- (3) 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. 2034, 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. 2034, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro, Galuteria, Ihara and Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Representatives Carroll, Rhoads, Brower and Fukumoto.

Managers on the part of the House.

Ayes, 4; Ayes with Reservations (Fukumoto). Noes, none. Excused, none.

**Conf. Com. Rep. 58-14 on S.B. No. 2410**

The purpose of this measure is to require each agency that submits a capital improvement project proposal to furnish the Department of Budget and Finance with an estimate of the operational costs for the proposed capital improvement project and all documents that support the estimate of operational costs.

The measure also requires the Department of Budget and Finance to report to the Governor an estimate of the operational costs for each proposed capital improvement project.

Your Committee on Conference finds that agencies that submit a proposal for a capital improvement project are currently not required to include an estimate of operational costs relating to the maintenance and continued operation of a facility project. Your Committee on Conference also finds that operational costs are often significant and can potentially be greater than the cost of development and construction. Your Committee on Conference believes that by requiring agencies to submit an estimate of operational costs for proposed capital improvement projects, this measure will enable the State to make fiscally sound decisions and better prioritize spending on capital improvement projects.

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

- (1) Changing the effective date from July 1, 2030, to upon approval; and
- (2) Making a technical nonsubstantive change 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. 2410, 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. 2410, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Kidani, Chun Oakland, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Yamashita, Morikawa, Nishimoto and Johanson.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Nishimoto).

**Conf. Com. Rep. 59-14 on H.B. No. 1942**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Princeton Energy Group or a related special purpose entity with the financing and refinancing costs relating to the planning, design, and construction of a renewable energy project with energy storage technology on the island of Molokai.

Your Committee on Conference has amended this measure by:

- (1) Identifying Princeton Energy Group's related entity as Ikehu Molokai LLC;
- (2) Changing the effective date to July 1, 2014; 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. 1942, 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. 1942, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Lee, Lowen, Hanohano and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Hanohano).

**Conf. Com. Rep. 60-14 on H.B. No. 2543**

The purpose of this measure is to issue special purpose revenue bonds of up to \$50,000,000 for BioTork Hawaii LLC for the development and operation of a facility to convert agricultural crops and by-products to biofuels and high-protein feed.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2014.

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. 2543, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2543, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Gabbard, Kouchi, Dela Cruz and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

Representatives Lee, Cullen, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Thielen).

**Conf. Com. Rep. 61-14 on S.B. No. 2981**

The purpose of this measure is to promote and encourage innovation and entrepreneurship in Hawaii by incorporating those ideals into the policies, objectives, and priority guidelines of the Hawaii State Plan concerning the economy and information technology.

Your Committee on Conference finds that promoting and encouraging innovation and entrepreneurial activities will benefit the State and its economy by facilitating the creation of new businesses in Hawaii and attracting investment from outside the State.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2014.

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. 2981, 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. 2981, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Wakai, Ige, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Slom).

Representatives Tsuji, Luke, Cachola, Wooley and Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 62-14 on S.B. No. 2895**

The purpose of this measure is to authorize the Department of Taxation to use funds from the tax administration special fund for taxpayer education programs.

Your Committee on Conference finds that this measure will allow the Department of Taxation to use funds from the tax administration special fund to develop, implement, and provide taxpayer education programs, including tax publications. Accordingly, your Committee on Conference believes that the increased support for taxpayer education provided by this measure will encourage and facilitate voluntary compliance with the State's tax laws.

Your Committee on Conference has amended this measure by changing its effective date from July 1, 2030, to 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. 2895, 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. 2895, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland, Kidani, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Luke, Cullen, Hashem and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 63-14 on S.B. No. 2411**

The purpose of this measure is to repeal references in the Hawaii Revised Statutes to "subsidy" or "subsidies" as a type of funding award that may be made to a private organization or individual for a public purpose.

Your Committee on Conference finds that no substantive difference exists in the Hawaii Revised Statutes between a "grant" and a "subsidy", and that the terms "subsidy" and "subsidies" are therefore unnecessary and potentially confusing and should be deleted. Your Committee on Conference further finds that deleting existing references to this term would make the Hawaii Revised Statutes more clear and concise.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, 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. 2411, 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. 2411, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Kidani and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Kidani).

Representatives Luke, Jordan and Johanson.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 64-14 on S.B. No. 2779**

The purpose of this measure is to specifically authorize the Department of Taxation to release certain otherwise confidential information to the Office of the Auditor in order for the Auditor to conduct its Comprehensive Annual Financial Report of the State.

This measure also requires the Auditor and the Auditor's authorized agents to maintain the confidentiality of the disclosed information.

Your Committee on Conference finds that section 23-5, Hawaii Revised Statutes, authorizes the Auditor to conduct audits of all departments, offices, and agencies of the State and its political subdivisions. Your Committee on Conference notes that concerns have been raised regarding the Department of Taxation's authority to disclose tax returns and other tax records on file with the Department of Taxation that the Auditor requires to conduct the Comprehensive Annual Financial Report of the State. Your Committee on Conference believes that this measure will provide the Department of Taxation with clear authority to disclose tax return information

to the Office of the Auditor for the purposes of conducting the Comprehensive Annual Financial Report of the State, while ensuring that taxpayer information remains confidential.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, 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. 2779, 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. 2779, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland, Kidani, Kouchi and Slom.

Managers on the part of the Senate.

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

Representatives Luke, Hashem, Nishimoto and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 65-14 on S.B. No. 2820**

The purpose of this measure is to:

- (1) Implement requirements of the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) by:
  - (A) Prohibiting rescission of coverage under a health benefit plan except in cases of fraud, misrepresentation, or failure to make required payments; and
  - (B) Requiring written notice prior to rescission;
- (2) Clarify that companies with general casualty insurance authority can only write accident and health or sickness insurance as incidental or supplemental coverage;
- (3) Clarify the Insurance Commissioner's retention requirements for tax records of surplus lines brokers and independently procured insureds;
- (4) Specify the authority of the Insurance Fraud Investigations Branch to take appropriate action on insurance fraud complaints;
- (5) Include long-term care insurance as part of limited benefit health insurance;
- (6) Ensure that Article 11A of the Insurance Code applies to risk retention captive insurance companies;
- (7) Ensure conformity with the Affordable Care Act by mandating parity between medical and surgical benefits and benefits for alcohol use disorder, substance use disorder, and mental health treatment services and repealing conflicting or obsolete language;
- (8) Make housekeeping amendments to the State's Insurance Code; and
- (9) Make other amendments to conform to National Association of Insurance Commissioners model laws.

Your Committee on Conference finds that this measure streamlines and improves the operations of the Insurance Division of the Department of Commerce and Consumer Affairs, ensures the Insurance Division complies with the Affordable Care Act, and ensures the Insurance Division retains National Association of Insurance Commissioners accreditation.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of July 1, 2014; and
- (2) Making technical, nonsubstantive 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. 2820, 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. 2820, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero and Slom.

Managers on the part of the Senate.

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

Representatives Belatti, McKelvey, Kobayashi, Yamashita and Matsumoto.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Yamashita, Matsumoto).

**Conf. Com. Rep. 66-14 on S.B. No. 2288**

The purpose of this measure is to amend or repeal various sections of chapter 302A, Hawaii Revised Statutes (HRS), that:

- (1) Have already been accomplished and are no longer necessary to be codified in statute;
- (2) Impede rather than assist the Department of Education in meeting its core mission;

- (3) Fall under the purview of the Board of Education, such as policy and programmatic decisions;
- (4) Are already covered by federal law and do not require codification in state statute; or
- (5) Are covered by another section of the HRS, Hawaii Administrative Rules, or Board of Education policy.

Your Committee on Conference finds that in 2012, the Legislature passed Act 133, Session Laws of Hawaii 2012 (Act 133), which sought to clarify or resolve conflicting or inconsistent language in different sections of law and to amend or repeal various sections of chapter 302A, HRS. This measure continues to amend or repeal various sections of chapter 302A, HRS, for housekeeping or other purposes.

Your Committee on Conference has amended this measure by:

- (1) Removing language that would have defined "license" in section 302A-101, HRS;
- (2) Removing amendments relating to the terms of the members of the Board of Education;
- (3) Removing amendments relating to an employer or prospective employer's authority to refuse to issue and to revoke a teaching or other educational certificate;
- (4) Removing amendments relating to the Hawaii 3R's school repair and maintenance fund;
- (5) Making this measure effective upon its approval; and
- (6) Making technical, nonsubstantive 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. 2288, 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. 2288, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Woodson, Say and Fale.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 67-14 on S.B. No. 3125**

The purpose of this measure is to require the Auditor to conduct a financial and management audit of the State Foundation on Culture and the Arts.

Your Committee on Conference finds that improvements should be made to the organization and operation of the State Foundation on Culture and the Arts. A financial and management audit will provide guidance to the State Foundation on Culture and the Arts as it clarifies its role and duties and improves operations.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, to July 1, 2014.

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. 3125, 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. 3125, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Wakai, Kidani and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Takai, Tokioka, Ito and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 68-14 on S.B. No. 2483**

The purpose of this measure is to:

- (1) Clarify that a condominium board may assess unpaid common expenses against any purchaser who purchases a delinquent unit in a foreclosure; and
- (2) Specify that a condominium board may only fill board vacancies temporarily until the next annual or duly noticed election.

Your Committee on Conference finds that when section 514B-146, Hawaii Revised Statutes, was amended in 2013 to specify that an association's six-month special assessment would be paid upon closing of a foreclosure sale, the term "other purchaser" was inadvertently left out of the amended statute. This measure corrects that error. Your Committee on Conference further finds that this measure will help reduce disputes regarding vacancies on condominium boards by clarifying the procedure for filling these vacancies.

Your Committee on Conference has amended this measure by:

- (1) Making an additional amendment to section 514B-146, Hawaii Revised Statutes, to specify that a condominium association's lien for unpaid assessments is subordinate to real property taxes, rather than all taxes, and updating the purpose section of part I of this measure accordingly; and
- (2) Making technical, nonsubstantive 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. 2483, 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. 2483, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Rhoads, Jordan, Evans, Ito and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Ito, McDermott).

**Conf. Com. Rep. 69-14 on H.B. No. 2009**

The purpose of this measure is to safeguard and protect the State's milk industry by requiring the Milk Control Special fund to have a reserve in an unspecified amount to be used for contingency cost items, including audits, incurred in the administration of the Hawaii Milk Control Act.

Your Committee on Conference has amended this measure by:

- (1) Establishing the minimum reserve amount for contingent cost items at \$300,000; and
- (2) Changing its effective date to July 1, 2014.

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. 2009, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2009, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kouchi and Wakai.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Wooley, Onishi, Tokioka and Matsumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 70-14 on H.B. No. 2288**

The purpose of this measure is to amend the Hawaiian Homes Commission Act to allow the Department of Hawaiian Home Lands to dispose of department-owned or department-controlled improvements or portions thereof on Hawaiian home lands through direct negotiations and at fair market rents for a term not to exceed five years.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2014.

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. 2288, 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. 2288, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Shimabukuro, Solomon, Kidani, Galuteria and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

Representatives Hanohano, Evans, Cullen, Say and Fale.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 71-14 on H.B. No. 2598**

The purpose of this measure is to support public schools in Hawaii by:

- (1) Renaming the Hawaii 3R's School Repair and Maintenance Fund as the Hawaii 3R's School Improvement Fund;
- (2) Requiring the Department of Education to transfer moneys collected pursuant to section 235-102.5(b), Hawaii Revised Statutes, to the Hawaii 3R's School Improvement Fund; and
- (3) Authorizing the Department of Education to transfer any other moneys received in the form of grants and donations for school-level improvements and minor repairs and maintenance to the Hawaii 3R's School Improvement Fund.

Your Committee on Conference has amended the 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. 2598, 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. 2598, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ohno, Woodson and Fale.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 72-14 on H.B. No. 866**

The purpose of this measure is to provide for the proper operation and maintenance of critical infrastructure servicing Hawaiian home lands by:

- (1) Affirming the counties' jurisdiction over and responsibility for existing sewer transmission lines and other sewerage facilities servicing Hawaiian home lands and specifying certain operational duties of the counties; and
- (2) Requiring the counties to accept the license or dedication and ownership of any additional sewer transmission lines and sewerage facilities servicing Hawaiian home lands upon demand by the department of Hawaiian home lands, subject to compliance with federal, state, and local environmental, design, and construction requirements.

Your Committee on Conference has amended this measure by specifying that the Department of Hawaiian Home Lands shall be responsible for bringing sewer lines and sewerage facilities into compliance with all applicable environmental, design, and construction requirements prior to acceptance of license or dedication and ownership by the counties.

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. 866, 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. 866, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs and Speaker of the House of Representatives on behalf of the Committee.

Senators Shimabukuro, Espero, Kidani, English and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Espero).

Representatives Evans, Hanohano, Nishimoto and Fale.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Fale).

**Conf. Com. Rep. 73-14 on H.B. No. 2509**

The purpose of this measure is to appropriate funds to assist communities affected by discarded or abandoned tires by providing funds for programs promoting the removal of abandoned tires that have been illegally dumped from the landscape, including funding county abandoned tire removal programs.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$50,000; and
- (2) Changing the effective date to July 1, 2014.

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. 2509, 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. 2509, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Lee, Lowen, Rhoads and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Rhoads).

**Conf. Com. Rep. 74-14 on H.B. No. 1951**

The purpose of this measure is to extend the time within which special purpose revenue bonds may be issued for the design and construction of the seawater air conditioning district cooling system in downtown Honolulu.

Your Committee on Conference has amended this measure by changing its effective date to June 29, 2014.



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. 1951, 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. 1951, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Chun Oakland and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Nishimoto, Lee and McDermott.

Managers on the part of the House.

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

**Conf. Com. Rep. 75-14 on H.B. No. 2003**

The purpose of this measure is to appropriate funds to the Department of Defense to establish in chapter 128, Hawaii Revised Statutes, a Hawaii Cybersecurity, Economic, Education, and Infrastructure Security Coordinator (Coordinator) position to coordinate efforts on and recommend improvements to the State's cybersecurity and cyber resiliency.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Coordinator position shall be established in a new chapter of the Hawaii Revised Statutes instead of chapter 128, Hawaii Revised Statutes;
- (2) Specifying that, notwithstanding any law to the contrary, the Coordinator shall develop certain requirements and methods;
- (3) Inserting an appropriation amount of \$200,000;
- (4) Changing the effective date to July 1, 2014; and
- (5) 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 H.B. No. 2003, 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. 2003, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Espero, Kidani, Kouchi and Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Representatives McKelvey, Nishimoto, Hashem and McDermott.

Managers on the part of the House.

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

**Conf. Com. Rep. 76-14 on H.B. No. 1564**

The purpose of this measure is to recognize the sacrifices made by the men and women of the armed forces of the United States and continue to honor their memory by properly maintaining the statewide network of veterans' cemeteries. Specifically, this bill requires the counties to obtain approval from the Office of Veterans' Services prior to any action that may negatively impact the State's financial obligation to establish and maintain veterans' cemeteries or imperil the receipt of federal funding for that purpose.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2014.

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. 1564, 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. 1564, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Kouchi and Slom.

Managers on the part of the Senate.

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

Representatives Takai, Luke, Ito and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 77-14 on H.B. No. 1772**

The purpose of this measure is to increase access to quality health care for veterans of the United States Armed Services by exempting from the General Excise Tax, amounts received by a contractor of the Patient-Centered Community Care Program established by the United States Department of Veterans Affairs for costs or advances to third-party providers pursuant to a contract with the United States.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2014.

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. 1772, 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. 1772, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Green, Ige, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Slom).

Representatives Takai, Belatti, Nishimoto and Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 78-14 on H.B. No. 2051**

The purpose of this measure is to continue the work initiated to honor the late U.S. Senator Daniel K. Inouye and the late U.S. Representative Patsy T. Mink through commissioning permanent works of art to honor their legacies and their contributions to the people of Hawaii. Specifically, this measure amends Act 281, Session Laws of Hawaii 2013, by:

- (1) Clarifying that the permanent work of art portraying the life, vision, accomplishments, impact, and legacy of Senator Daniel K. Inouye need not be a three-dimensional work of art;
- (2) Clarifying that the designs for the works of art portraying Senator Daniel K. Inouye and Representative Patsy T. Mink need not include their likeness at some stage of their life;
- (3) Deleting the requirement that the work of art portraying Senator Daniel K. Inouye be installed for unveiling on the second anniversary of his death;
- (4) Appropriating an unspecified sum for the 2013-2015 fiscal biennium to commission the works of art; and
- (5) Changing the expending agency for the funds for the commissioning of artwork from the Department of Accounting and General Services to the State Foundation on Culture and the Arts.

Your Committee on Conference has amended this measure by:

- (1) Reinserting the sum of \$250,000, originally appropriated for each year of the 2013-2015 fiscal biennium, and specifying that this sum be appropriated only for the 2014-2015 fiscal year; and
- (2) Changing its effective date to July 1, 2014.

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. 2051, 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. 2051, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Wakai, Kidani and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Takai, Tokioka, Awana and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 79-14 on S.B. No. 3093**

The purpose of this measure is to appropriate funds to the University of Hawaii at Hilo to establish staff positions within the 'Imiloa Astronomy Center and support the University of Hawaii at Hilo's memorandum of understanding with the Revealing Individual Strengths for Excellence (RISE) 21st Century After School Program.

Your Committee on Conference finds that pursuant to S.C.R. No. 132, S.D. 1, Regular Session of 2013, the University of Hawaii at Hilo, through its 'Imiloa Astronomy Center and Division of Academic Affairs, entered into a memorandum of understanding with the RISE 21st Century After School Program, a program that helps underprivileged children of Hawaiian ancestry with life skills, academic success, and career planning. This measure will provide funding to support the University of Hawaii at Hilo's memorandum of understanding with the RISE 21st Century After School Program.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation of \$200,000 to support the University of Hawaii at Hilo's memorandum of understanding with RISE 21st Century After School Program;
- (2) Removing all references to a full time equivalent youth program specialist, a full time equivalent experience director for education programs, curriculum development, supplies, travel, and equipment;
- (3) Inserting an effective date of July 1, 2014; and
- (4) Making technical, nonsubstantive 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. 3093, 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. 3093, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Keith-Agaran, Kahele, Thielen and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Choy, Onishi, Ichiyama, Lowen and Matsumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Lowen).

**Conf. Com. Rep. 80-14 on S.B. No. 2486**

The purpose of this measure is to amend provisions relating to private guards and individuals acting in a guard capacity by:

- (1) Delaying the continuing education requirement by two years, thereby making the requirement effective prior to the June 30, 2016, renewal cycle;
- (2) Making permanent the registration and licensure requirements for private guards and individuals acting in a guard capacity by repealing the sunset date of Act 208, Session Laws of Hawaii 2010 (Act 208); and
- (3) Exempting loss prevention agents from private guard registration and licensure requirements.

Your Committee on Conference finds that this measure ensures the continued competency and professionalism of private security guards and individuals acting in a guard capacity by repealing the sunset date of Act 208, which requires private security guards and individuals acting in a guard capacity to register as a guard with the Board of Private Detectives and Guards (Board) and meet registration, instruction, and training requirements prior to acting as a guard.

Your Committee on Conference further finds that the Board and the private detective and guard industry concur that four hours of continuing education every two years, including a refresher component on professional image and aloha training, rather than four hours of continuing education each year, is sufficient to refresh guard employees on important training concepts included in the initial eight-hour training curriculum and ensure guard employees keep abreast of current trends in the guard industry.

Your Committee on Conference has amended this measure by:

- (1) Amending the continuing education requirement to four hours every two years, rather than four hours every year;
- (2) Removing language that would have exempted loss prevention agents from private guard registration and licensure requirements;
- (3) Inserting an effective date of June 29, 2014;
- (4) Amending the purpose section; and
- (5) Making technical, nonsubstantive 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. 2486, 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. 2486, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Nishimoto, Onishi, Tsuji, Yamashita and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Yamashita, Thielen).

**Conf. Com. Rep. 81-14 on S.B. No. 2260**

The purpose of this measure is to:

- (1) Specify that no provision of chapter 104, Hawaii Revised Statutes, may be contravened or set aside by private contract;
- (2) Increase the penalties imposed on a contractor who interferes with or delays a Department of Labor and Industrial Relations investigation to determine compliance with the wages and hours of employees on public works law to \$10,000 per project and \$1,000 per day;
- (3) Hold a general contractor secondarily liable for the payment of back wages assessed against contractors on a public works construction project;
- (4) Specify that any payment of back wages and penalties made by a governmental contracting agency shall not be deemed to be a breach of contract and shall not excuse the contractor from completing the project for the contract price and by the contract completion deadline;

- (5) Specify that a notification of violation shall be final and conclusive unless the contractor files a written notice of appeal with the Director of Labor and Industrial Relations within twenty-one days after a copy was sent to the contractor;
- (6) Through June 30, 2018, increase the suspension period from three to five years for a third violation by a person or firm who violates the state law relating to wages and hours of employees on public works;
- (7) Through June 30, 2018, add a governmental contracting agency and the general contractor, in the case of a suspended subcontractor, as entities that the Director of Labor and Industrial Relations must notify of any suspension order; and
- (8) Through June 30, 2018, require reports to the Legislature from the Department of Labor and Industrial Relations on enforcement information regarding suspensions, back wages, and fines imposed and collected.

Your Committee on Conference finds that when contractors comply with the State's wages and hours of employees on public works law, codified as chapter 104, Hawaii Revised Statutes, there is a level playing field for bidding on state and county projects. This measure assists the Department of Labor and Industrial Relations in enforcing chapter 104, Hawaii Revised Statutes, and encourages contractors to comply with the law.

Your Committee on Conference has amended this measure by:

- (1) Removing language that would have held a general contractor secondarily liable for the payment of back wages assessed against contractors on public works construction projects;
- (2) Removing language that specified that any payment of back wages and penalties made by a governmental contracting agency shall not be deemed to be a breach of contract and shall not excuse the contractor from completing a project for the contract price and by the contract completion deadline;
- (3) Removing language that would have increased the suspension period from three to five years for a third violation by a person or firm who violated the state law relating to wages and hours of employees on public works;
- (4) Removing the requirement for the Department of Labor and Industrial Relations to submit reports to the Legislature on enforcement information regarding suspensions, back wages, and fines imposed and collected;
- (5) Inserting an effective date of July 1, 2014, removing the sunset date for various provisions, and noting that this measure shall apply to all contracts entered into on or after the effective date of this measure; and
- (6) Making technical, nonsubstantive 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. 2260, 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. 2260, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Yamashita, Cullen and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 82-14 on S.B. No. 3065**

The purpose of this measure is to appropriate funds to investigate the possibility of exchanging state land for land owned by Dole Food Company, Inc., and for costs of executing the exchange.

Your Committee on Conference finds that there is a continuing need to protect and preserve unique natural assets, both for the enjoyment of future generations and to establish base lines for environmental impact. The present system of preserves, sanctuaries, and refuges must be strengthened, and additional areas of land suitable for agriculture and preservation should be set aside.

Your Committee on Conference has amended this measure by:

- (1) Amending findings to more accurately identify the total acreage and sales price of the agricultural and conservation lands owned by Dole Food Company, Inc.;
- (2) Inserting language to require the consideration of the market value of state lands when investigating the possibility of acquiring land owned by Dole Food Company, Inc., through an exchange;
- (3) Changing the source of appropriation from general revenues to the land conservation fund;
- (4) Inserting an appropriation amount of \$500,000 to investigate the possibility of exchanging state land for land owned by Dole Food Company, Inc., and for costs of executing the exchange;
- (5) Inserting language to require the Department of Budget and Finance, as the expending agency, to coordinate with the Department of Accounting and General Services and Department of Land and Natural Resources;
- (6) Changing the effective date to July 1, 2014; and
- (7) Making technical, nonsubstantive 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. 3065, 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. 3065, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

Senators Dela Cruz, Solomon, Nishihara, Kidani and Slom.

Managers on the part of the Senate.

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

Representatives Evans, Luke and Matsumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 83-14 on S.B. No. 3042**

The purpose of this measure is to:

- (1) Remove the restriction that a class 14 brewpub licensee manufacture not more than thirty thousand barrels of malt beverages on the licensee's premises during the license year;
- (2) Increase the manufacturing limit for class 16 winery licensees to not more than twenty thousand barrels of wine on the licensee's premises during the license year;
- (3) Establish a new class 18 liquor license class for small craft producer pubs;
- (4) Prohibit brewpub and small craft producer pubs from selling intoxicating liquor purchased from class 1 manufacturer licensees for consumption on the premises; and
- (5) Make conforming amendments relating to liquor license classes and federal labeling and bottling requirements.

Your Committee on Conference finds that this measure removes unnecessarily restrictive limitations on malt beverages manufactured by small breweries and creates a new license class that will enable small producers to diversify their product lines. Your Committee on Conference further finds that this measure supports the growth of small businesses, which will have a positive impact on local economic development.

Your Committee on Conference has amended this measure by inserting an effective date of 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. 3042, 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. 3042, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero, Ige, Wakai and Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Ige, Slom).

Representatives McKelvey, Luke, Evans, Ing and McDermott.

Managers on the part of the House.

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

**Conf. Com. Rep. 84-14 on S.B. No. 2308**

The purpose of this measure is to appropriate funds to the Department of Public Safety for programs and services that support the children of incarcerated parents and help with family reunification.

Your Committee on Conference finds that providing support to incarcerated and recently released parents and their children helps strengthen families and benefits society by reducing recidivism and improving child development. This measure supports programs and services of the Department that address family core issues and enables the Department to expand its programs and services to all willing inmates who may have children that have been emotionally or behaviorally affected by the incarceration of a parent.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$125,000; and
- (2) Inserting an effective date of July 1, 2014.

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. 2308, 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. 2308, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Espero, Kidani, Thielen and Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Espero, Slom).

Representatives Aquino, Ing, Takayama and McDermott.

Managers on the part of the House.

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

**Conf. Com. Rep. 85-14 on S.B. No. 2057**

The purpose of this measure is to extend the repeal date and improve the nursing facility sustainability program by:

- (1) Extending the sunset date of the nursing facility sustainability program to June 30, 2015; and
- (2) Appropriating funds out of the nursing facility sustainability program special fund for fiscal year 2014-2015.

Your Committee on Conference finds that nursing facilities are a critical part of the long-term safety net for the State's aging population and that funding the nursing facility sustainability program is necessary to increase the sustainability of nursing facilities in Hawaii. Your Committee on Conference further finds that without an exemption from the central service expenses assessment, the nursing facility sustainability program will have to pay approximately \$500,000 per year, which inhibits the program's ability to sustain nursing facilities and improve services to Medicaid recipients.

Your Committee on Conference has amended this measure by:

- (1) Adding a provision to exempt the nursing facility sustainability program special fund from the central service expenses assessment;
- (2) Inserting an appropriation amount of \$12,000,000;
- (3) Inserting an effective date of June 29, 2014; and
- (4) Making technical, nonsubstantive 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. 2057, 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. 2057, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Kidani, Green, Keith-Agaran and Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Slom).

Representatives Carroll, Belatti, Kobayashi, Morikawa and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 86-14 on S.B. No. 2345**

The purpose of this measure is to protect Hawaii's kupuna from financial fraud and abuse by appropriating funds to the Department of Commerce and Consumer Affairs for educational outreach targeted at kupuna, particularly in the areas of indexed annuities, life-settlement annuities, variable annuities, and Ponzi schemes.

Your Committee on Conference finds that elderly citizens are often victimized by sophisticated investment frauds. Fighting fraud and abuse against the elderly is a critical issue in Hawaii due to the State's rapidly growing elderly population. The State is in need of more programs like the investor education program within the Department of Commerce and Consumer Affairs that educate kupuna on how to make wise choices when investing and how to detect financial fraud.

Your Committee on Conference has amended this measure by inserting an appropriation amount of \$50,000.

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. 2345, 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. 2345, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Kidani, Taniguchi and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Luke, Morikawa, Takayama and McDermott.

Managers on the part of the House.

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

**Conf. Com. Rep. 87-14 on S.B. No. 2470**

The purpose of this measure is to:

- (1) Designate the Hawaii Health Connector (Connector) as the official State of Hawaii health insurance exchange;
- (2) Establish advisory groups to advise the Connector Board of Directors (Board);
- (3) Create the Hawaii Health Connector Legislative Oversight Council to review the financial and operational plans of the Connector;
- (4) Permit certified insurance agents and brokers to be compensated for enrolling individuals and employers in qualified plans through the Connector;
- (5) Require the Connector Board to submit a sustainability plan to the Oversight Council and the Insurance Commissioner;

- (6) Establish the Hawaii health insurance exchange special fund;
- (7) Expanding the ability of the Connector to generate revenue;
- (8) Amend the membership and composition of the Connector Board; and
- (9) Appropriate funds for the operations of the Connector.

Your Committee on Conference finds that the Hawaii Health Connector is the designated health insurance exchange for the State of Hawaii and is charged with the responsibility of implementing applicable parts of the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act). Your Committee on Conference further finds that the successful and efficient operation of the Connector is essential for the State, health insurers, and insured persons in Hawaii to comply with the new requirements of the Affordable Care Act. The sustainability of the Hawaii Health Connector is also critical to ensure the continued applicability of Hawaii's Prepaid Health Care Act.

Your Committee on Conference additionally finds that evolving federal health care regulations and the need for greater transparency and oversight over the Connector necessitate that the State revise the structure of the Connector's Board of Directors and require the Legislature to take a proactive oversight role to monitor the Connector. Finally, your Committee on Conference finds that this measure clarifies the status of the Connector as the official health insurance exchange for the State; provides for greater transparency and legislative oversight in the Connector; and provides for the sustainability of the Connector and, by extension, the Hawaii Prepaid Health Care Act.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have established a consumer, patient business, and health care advisory group, a health insurer advisory group, and an insurance producers advisory group;
- (2) Amending the name of the Hawaii Health Connector Oversight Council to the Connector Legislative Oversight Committee (Oversight Committee) and amending the composition and the duties of the Oversight Committee;
- (3) Requiring the Hawaii Health Connector Board of Directors (Board) to prepare and submit to the Oversight Committee a report with updates on the sustainability plan of the Connector, including specific efforts to reduce costs related to contracted services and other actions; copies of any federal audits; and copies of the annual financial statements of the Connector;
- (4) Clarifying the contents of the sustainability plan the Board must submit to the Oversight Committee, including a detailed sustainability plan that includes a three-year budget projection for the upcoming three fiscal years;
- (5) Removing language that permitted the Board to recommend to the Governor legislative action, if necessary, for the Connector;
- (6) Specifying that Connector-certified insurance agents and brokers are permitted to enroll individuals and employers in qualified plans through the Connector, and noting that if a health insurance plan utilizes and compensates an insurance agent or broker, the Connector shall not be responsible for any compensation to that agent or broker that sells a qualified health plan through the Connector;
- (7) Deleting language that would have established a Hawaii Health Insurance Exchange special fund;
- (8) Requiring the Connector to submit the results of the Connector's annual audit to the Legislature, in addition to the Insurance Commissioner and requiring the annual audit to comply with standard accounting practices for reviewing nonprofit corporations;
- (9) Clarifying the Connector's ability to generate revenue, including permitting the Connector to sell or lease its information technology infrastructure and services to other separate non-Connector programs;
- (10) Amending the membership and composition of the Connector Board, including:
  - (A) Stating that the Board shall be composed of nine voting members and five ex officio members;
  - (B) Removing members representing insurers and dental benefit providers from the Board but permitting the Board to establish a subcommittee of representatives from all providers of health care insurance and dental benefits;
  - (C) Permitting the Board to establish other subcommittees to assist the Connector with implementation of the Affordable Care Act, as appropriate;
  - (D) Clarifying procedures for making appointments and filling vacancies on the Board, including requiring the Board, Speaker of the House of Representatives, and President of the Senate to each submit to the Governor the names of two qualified nominees for each vacant position on the Board;
  - (E) Clarifying the areas of education, training, or professional experience that members of the Board must possess;
  - (F) Requiring all but one of the state agency representatives on the Board to be ex officio nonvoting members and specifying the list of state representatives from which the Governor may designate an official state representative to serve as an ex officio voting member of the Board; and
  - (G) Requiring any changes to the Board structure and governance to be in compliance with federal law;
- (11) Repealing the requirement for the Department of Human Services to determine Medicaid eligibility for purposes of purchasing plans from the Connector;

- (12) Deleting language that would have appropriated: general funds for necessary expenses incurred by members of certain advisory groups; general funds to the Hawaii health insurance exchange special fund; and funds out of the Hawaii health insurance exchange special fund;
- (13) Inserting a general fund appropriation of \$1,500,000 for the operations of the Connector, to be expended by the Department of Commerce and Consumer Affairs; provided that the funds shall be expended only after the Connector amends its articles of incorporation or bylaws to bring the Connector into compliance with section 435H-4, Hawaii Revised Statutes;
- (14) Updating the purpose section;
- (15) Inserting an effective date of July 1, 2014; provided that the provisions in this measure that amend the composition of the Connector Board shall take effect on October 1, 2014; and
- (16) Making technical, nonsubstantive 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. 2470, 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. 2470, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Green, Kouchi, Taniguchi and Wakai.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Wakai).

Representatives Belatti, McKelvey, Luke, Nishimoto, Yamashita and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Yamashita, Johanson).

**Conf. Com. Rep. 88-14 on S.B. No. 702**

The purpose of this measure is to combat internet crimes against children by:

- (1) Establishing an internet crimes against children fee, which shall be assessed against a defendant for each felony or misdemeanor conviction of internet crimes against children;
- (2) Establishing an internet crimes against children special fund intended to enable law enforcement to investigate and prosecute such crimes and to assist groups working directly to fight such crimes; and
- (3) Making an appropriation to the internet crimes against children special fund and from the special fund for training and equipment, investigation and prosecution of internet crimes against children, and combatting such crimes.

Your Committee on Conference finds that in 2008, USA Today reported that the Internet Crimes Against Children Task Forces had identified 2,297 unique computers in Hawaii trading sadistic images of infants and toddlers being tied up, tortured, and raped. Due to limited funds, equipment, and training, only a very small percentage of investigative leads related to such crimes are examined every month. Your Committee on Conference finds that imposing a fee on every defendant convicted of a felony or misdemeanor for internet crimes against children will help to establish funding to enhance the investigation and prosecution of such crimes and protect Hawaii's children.

Your Committee on Conference has amended this measure by:

- (1) Inserting an internet crimes against children fee amount of up to \$100 for each felony or misdemeanor conviction for internet crimes against children;
- (2) Inserting an appropriation amount of \$62,500 to be deposited from general revenues into the internet crimes against children special fund and from the special fund for training and equipment, investigation and prosecution of internet crimes against children, and combatting such crimes; and
- (3) Inserting an effective date of July 1, 2014.

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. 702, 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. 702, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Wakai, Hee, Kidani and Ihara.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Wakai).

Representatives Carroll, Rhoads, Kobayashi, Har and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Kobayashi).

**Conf. Com. Rep. 89-14 on H.B. No. 2611**

The purpose of this measure is to:

- (1) Establish a State Capitol Management Committee to oversee the financing and governance of the Hawaii State Capitol and its grounds and facilities; and



- (2) Appropriate an unspecified amount to be expended by the Department of Accounting and General Services for the establishment and operation of the State Capitol Management Committee.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation; and
- (2) Changing its 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. 2611, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2611, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Kidani and Wakai.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Wakai).

Representatives Nishimoto, Luke and Johanson.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 90-14 on H.B. No. 1539**

The purpose of this measure is to provide fair opportunities for people on the waiting list to receive Housing Choice Voucher Program (Program) vouchers by requiring the Hawaii Public Housing Authority to automatically terminate the vouchers upon the death or removal from assistance of the last household member, or when the surviving minor of the last household member reaches the age of 21 or 23 if the minor is a full-time student.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the voucher shall be automatically returned to the Hawaii Public Housing Authority upon the death or removal from assistance of the last original household member;
- (2) Requiring legal guardians who care for minors in the household to be eligible for participation in the Program in order to be added to the household for Program purposes; and
- (3) Changing its effective date to July 1, 2014.

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. 1539, 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. 1539, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hashem, Woodson, Kobayashi, Oshiro and Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 91-14 on H.B. No. 648**

The purpose of this measure is to repeal or reduce appropriations made in the Regular Session of 2013 to:

- (1) More accurately reflect the expending agencies' expenditure plans for fiscal year 2013-2014; and
- (2) Allow the savings from unexpended and unencumbered funds to be expressly and efficiently identified in the carryover balance for fiscal year 2014-2015 in the state financial plan.

This measure also authorizes the transfer of excess funds from the medicaid investigations recovery fund to the general fund.

Your Committee on Conference has amended this measure by:

- (1) Reducing the amount that the Director of Finance may transfer from the medicaid investigations recovery fund to the general fund from \$1,500,000 to \$1,000,000;
- (2) Authorizing the Director of Finance to transfer funds from the medicaid investigations recovery fund to the general fund in fiscal year 2013-2014 rather than 2014-2015; 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. 648, 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. 648, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland, Kidani, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Luke, Nishimoto, Yamashita and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 92-14 on H.B. No. 2427**

The purpose of this measure is to repeal several unused or inactive non-general funds with very low balances or no activity in recent years.

Your Committee on Conference has amended this measure by making a technical, nonsubstantive amendment 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. 2427, 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. 2427, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland, Kidani, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Luke, Nishimoto, Woodson and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 93-14 on H.B. No. 1931**

The purpose of this measure is to protect Hawaii's macadamia nut industry by preventing the spread of macadamia felted coccid infestations.

Specifically, the measure appropriates funds for:

- (1) The Department of Agriculture; and
- (2) The College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa,

to research and develop methods for the prevention and treatment of macadamia felted coccid infestations.

Your Committee on Conference finds that the macadamia felted coccid can cause severe damage to macadamia nut trees and that conventional pest control methods have failed to stop the spread of this destructive insect. Accordingly, your Committee on Conference believes that there is a need to appropriate funds to research and develop new pest control methods to prevent macadamia felted coccid from spreading throughout the State and causing costly damage to macadamia nut trees and the macadamia nut industry.

Your Committee on Conference has amended this measure by:

- (1) Inserting the amount of \$360,000 for the appropriation to the Department of Agriculture;
- (2) Deleting the appropriation for the College of Tropical Agriculture and Human Resources;
- (3) Changing the effective date to July 1, 2014; and
- (4) Making technical nonsubstantive amendments for purposes 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 H.B. No. 1931, 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. 1931, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Taniguchi, Gabbard, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

Representatives Wooley, Choy, Onishi, Ichiyama and Matsumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Choy, Ichiyama).

**Conf. Com. Rep. 94-14 on H.B. No. 2147**

The purpose of this measure is to provide government agencies with flexibility in the negotiation of concession contracts by allowing exemptions from the public concession bidding process for airport and Stadium Authority contracts for electronic communication services and for advertising ("Concession Exemptions").

Your Committee on Conference has amended this measure by amending its effective date to take effect on approval, provided that the Concession Exemptions sunset on June 30, 2021.

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. 2147, 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. 2147, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Ige, Kidani, Wakai and Slom.

Managers on the part of the Senate.

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

Representatives Yamane, McKelvey, Nishimoto, Takayama and McDermott.

Managers on the part of the House.

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

**Conf. Com. Rep. 95-14 on H.B. No. 2273**

The purpose of this measure is to:

- (1) Authorize the Motor Vehicle Repair Industry Board to enter into agreements with entities, educational institutions, and other organizations to develop and administer a certification program for motor vehicle mechanics that will ensure that motor vehicle mechanics' knowledge, skills, and abilities are current and in line with industry standards; and
- (2) Allow the Motor Vehicle Repair Industry Board to accept certificates from a national certification program without contracting with the national certification program.

Your Committee on Conference has amended this measure by changing the effective date to 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. 2273, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2273, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Baker, Keith-Agaran, Kidani and Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Representatives Yamane, McKelvey, Takayama, Aquino and McDermott.

Managers on the part of the House.

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

**Conf. Com. Rep. 96-14 on H.B. No. 1966**

The purpose of this measure is to require the State Auditor to report to the Legislature on the current state of the civil service exemption process and to recommend procedures, guidelines, and criteria to ensure that the exemption process is used appropriately and only in extraordinary circumstances.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2014.

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. 1966, 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. 1966, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Keith-Agaran and Slom.

Managers on the part of the Senate.

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

Representatives Nakashima, Ing, Ichiyama and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 97-14 on H.B. No. 2038**

The purpose of this measure is to impose a human trafficking victim services fee upon individuals who are convicted of certain trafficking offenses and to establish a special fund for the fee.

Your Committee on Conference has amended this measure by:

- (1) Inserting the following caps on fee amounts:
  - (A) \$5,000 when the offense is a class A felony;
  - (B) \$2,500 when the offense is a class B felony;
  - (C) \$1,000 when the offense is a class C felony;
  - (D) \$500 when the offense is a misdemeanor; and
  - (E) \$250 when the offense is a petty misdemeanor; and

- (2) Changing its 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. 2038, 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. 2038, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Ichiyama, Yamashita, Awana and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 98-14 on H.B. No. 2400**

The purpose of this measure is to provide temporary disability benefits to employees who are disabled due to organ donation.

Your Committee on Conference has amended this measure by:

- (1) Deleting the conforming amendment to section 392-6, Hawaii Revised Statutes, regarding the definition of "individual in current employment";
- (2) Changing its effective date to July 1, 2014; and
- (3) 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 H.B. No. 2400, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2400, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Nakashima, McKelvey, Nishimoto, Har, Hashem, Yamashita and Johanson.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, 1 (Har).

**Conf. Com. Rep. 99-14 on S.B. No. 2346**

The purpose of this measure is to provide necessary services and support programs for the health and well-being of Hawaii's elder population by:

- (1) Appropriating funds to the Department of Health for the kupuna care program, aging and disability resource center, and healthy aging partnership program; and
- (2) Requiring the Executive Office on Aging to conduct a public education and awareness campaign on long-term care and appropriating funds for this purpose.

Your Committee on Conference finds that Hawaii's aging population is increasing at a rapid rate, and programs and services are needed to maintain the health and welfare of Hawaii's seniors and their caregivers. Your Committee on Conference further finds that the most successful programs for aging in place recognize and build upon integrated health and social services. Finally, your Committee on Conference recognizes the importance of educating Hawaii's residents with information about long-term care.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$4,200,000 for the kupuna care program;
- (2) Inserting an appropriation amount of \$1,900,000 for the aging and disability resource center;
- (3) Inserting an appropriation amount of \$476,772 for the healthy aging partnership program;
- (4) Inserting an appropriation amount of \$500,000 for the Executive Office on Aging to conduct a public education and awareness campaign on long-term care; and
- (5) Inserting an effective date of July 1, 2014.

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. 2346, 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. 2346, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Kidani, Green, Ruderman and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Belatti, Luke, Awana, Kobayashi and Fukumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 100-14 on S.B. No. 2542**

The purpose of this measure is to restore the allocation of conveyance tax collections to the rental housing trust fund to fifty percent beginning July 1, 2014.

Your Committee on Conference finds that the creation of more affordable rental housing is critical to Hawaii's future. Rent costs have increased more than forty-five percent in Hawaii since 2005, and almost seventy-five percent of extremely low income households are spending more than half of their income on rent. In addition, rising housing costs are associated with increased homelessness and more local families at risk of becoming homeless. Your Committee on Conference finds that increasing the allocation of conveyance tax collections to the rental housing trust fund to fifty percent will yield significant funds which can be leveraged to build more affordable housing.

Your Committee on Conference has amended this measure by:

- (1) Adding language making this measure supersede any amendments made to Section 247-7, Hawaii Revised Statutes, relating to the allocation of conveyance tax collections, by H.B. No. 2059 or H.B. No. 2101, Regular Session of 2014, if passed by the Legislature during the Regular Session of 2014 in any form;
- (2) Inserting an effective date of July 1, 2014; and
- (3) Making a technical, nonsubstantive amendment 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. 2542, 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. 2542, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige, Keith-Agaran, Kidani and Taniguchi.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Kidani).

Representatives Hashem, Evans, Nishimoto, Cullen and Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 101-14 on S.B. No. 632**

The purpose of this measure is to:

- (1) Establish environmental courts as divisions within the circuit courts to hear proceedings, including certain chapter 91, Hawaii Revised Statutes, proceedings arising from certain environmental laws; and
- (2) Require the Judiciary to report to the Legislature the total number of environmental-related cases filed in the last five years.

Your Committee on Conference finds that environmental disputes are currently dealt with in a variety of courts. This organizational structure inadvertently promotes inconsistent application of the wide variety of environmental laws. The continued maintenance and improvement of Hawaii's environment requires constant vigilance and continued stewardship to ensure its lasting beauty, cleanliness, and uniqueness and the stability of its natural systems, all of which enhance the mental and physical well-being of Hawaii's people.

Your Committee on Conference has amended this measure by:

- (1) Inserting findings related to the urgent need for environmental courts;
- (2) Inserting language to require environmental courts to be created as divisions of district courts in addition to circuit courts;
- (3) Inserting language to require the Chief Justice of the Supreme Court to designate an environmental judge or judges for each circuit and for a district court in each circuit;
- (4) Clarifying that the Chief Justice may temporarily assign an environmental court judge to preside in another circuit when the chief justice determines that the urgency of one or more cases in the circuit court or district court or the volume of the cases in the circuit court or district court so requires;
- (5) Clarifying that issues under the jurisdiction of the environmental courts may be assigned to the environmental courts from both circuit courts and district courts;
- (6) Inserting language to require the Judiciary to convene a working group to make recommendations to the Chief Justice regarding the implementation of environmental courts within the circuit and district courts of the State;
- (7) Clarifying that the term "environmental court" shall be substituted for the term "district court" in specified chapters of the Hawaii Revised Statutes;
- (8) Changing the effective date to July 1, 2015; and
- (9) Making technical, nonsubstantive 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. 632, 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. 632, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Hee and Ihara.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Lee, Rhoads, Lowen, Ing and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Rhoads).

**Conf. Com. Rep. 102-14 on S.B. No. 2054**

The purpose of this measure is to:

- (1) Require health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for screening, diagnosis, and treatment of autism spectrum disorders up to an unspecified maximum benefit and maximum lifetime benefit for individuals under an unspecified age;
- (2) Require the University of Hawaii Economic Research Organization to contract for the performance of an actuarial analysis of the projected costs of providing insurance coverage for screening, diagnosis, and treatment of autism spectrum disorders; and
- (3) Appropriate funds to contract for the performance of the actuarial analysis.

Your Committee on Conference finds that applied behavior analysis is an effective and medically necessary treatment for autism that is supported by many organizations, including the United States Surgeon General, American Academy of Pediatrics, and Autism Society of America. However, many families with autistic children cannot afford the treatments. Your Committee on Conference further finds that an actuarial analysis of the projected costs of providing insurance coverage for autism spectrum disorder treatments will assist the State in determining how best to help families with autistic children.

Your Committee on Conference has amended this measure by:

- (1) Amending the findings section to clarify the purpose of the measure;
- (2) Deleting language that requires health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for autism spectrum disorder treatments;
- (3) Requiring the Insurance Commissioner, instead of the University of Hawaii Economic Research Organization, to contract for the performance of the actuarial analysis and submit a report to the Legislature;
- (4) Inserting an appropriation amount of \$50,000;
- (5) Changing the expending agency to the Department of Commerce and Consumer Affairs, instead of the University of Hawaii;
- (6) Making the measure effective upon approval; provided that the appropriation takes effect on July 1, 2014; and
- (7) Making technical, nonsubstantive 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. 2054, S.D. 3, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2054, S.D. 3, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Chun Oakland, Keith-Agaran and Taniguchi.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

Representatives Belatti, McKelvey, Luke, Morikawa, Nishimoto and Fukumoto.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 103-14 on S.B. No. 2866**

The purpose of this measure is to make an emergency appropriation to the Hawaii Health Systems Corporation for necessary costs and operations.

Your Committee on Conference finds that the Hawaii Health Systems Corporation requires additional funding to meet the cost of collective bargaining pay raises and unanticipated Medicaid reimbursement cuts. Your Committee on Conference further finds that the Hawaii Health Systems Corporation requires additional funding to pay overdue accounts in the Kauai regions, as well as to continue to provide quality health care services through its hospitals without disrupting patient care.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$15,000,000;
- (2) Making the measure effective upon approval; and

- (3) Making technical, nonsubstantive 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. 2866, 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. 2866, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Ige and Ruderman.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Belatti, Luke, Morikawa, Woodson and Fukumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 104-14 on S.B. No. 2196**

The purpose of this measure is to:

- (1) Re-establish the energy systems development special fund;
- (2) Amend the amount of the environmental response, energy, and food security tax to be deposited into various existing funds;
- (3) Amend the purpose of the hydrogen investment capital special fund to be for the development of hydrogen production, storage, and dispensing infrastructure;
- (4) Require the Director of Finance to deposit an unspecified amount from the revenues of the environmental response, energy, and food security tax into the hydrogen investment capital special fund; and
- (5) Extend the repeal of various allocations of the environmental response, energy, and food security tax from 2015 to 2030.

Your Committee on Conference finds that re-establishing the energy systems development special fund will provide funding to support Hawaii projects important for achieving state energy goals, such as renewable power generation, advanced transportation, energy efficient end-use technologies, and the integration of systems to allow increased renewable use.

Your Committee on Conference has amended this measure by:

- (1) Specifying in the findings that the purpose of this measure is to:
  - (A) Re-establish the energy systems development special fund to be funded in part by revenues collected from the environmental response, energy, and food security tax; and
  - (B) Extend the allocation of revenues collected from the environmental response, energy, and food security tax to various special funds from June 30, 2015, to June 30, 2030;
- (2) Deleting language that would have amended the purpose of the hydrogen investment capital special fund to be for the development of hydrogen production, storage, and dispensing infrastructure;
- (3) Deleting language that would have amended the amount of the environmental response, energy, and food security tax to be deposited into various existing funds;
- (4) Deleting language that would have required the Director of Finance to deposit an unspecified amount from the revenues of the environmental response, energy, and food security tax into the hydrogen investment capital special fund;
- (5) Changing the effective date to July 1, 2014; and
- (6) Making technical, nonsubstantive 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. 2196, 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. 2196, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Nishihara and Ige.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Nishihara).

Representatives Lee, Luke, Wooley and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Wooley).

**Conf. Com. Rep. 105-14 on S.B. No. 3099**

The purpose of this measure is to:

- (1) Require, rather than permit, hiring to be done in accordance with civil service laws when the State Historic Preservation Division of the Department of Land and Natural Resources hires professional and technical staff; and
- (2) Require any civil service position exemptions created after July 1, 2014, to expire three years after their enactment unless affirmatively extended by the Legislature.

Your Committee on Conference finds that there are inequities between civil service exempt employees and civil service employees. For example, exempt employees do not receive step increases in compensation and are not protected from a reduction-in-force. The Hawaii Government Employees Association has stated that the number of voluntary conversions has been small, and therefore, the conversion process has not been effective. This measure mandates the conversion of exempt positions to civil service positions unless the exemption is extended by the Legislature in order to ensure fair and equitable compensation and benefits for all employees.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2114, to July 1, 2014.

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. 3099, 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. 3099, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Nakashima, Yamashita, Ing and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 106-14 on S.B. No. 2365**

The purpose of this measure is to:

- (1) Establish the requirements for the furnishing of all prescription drugs to an employee who sustains a work injury;
- (2) Establish a reimbursement ceiling that does not exceed one hundred forty percent of the average wholesale price set by the original manufacturer of the dispensed prescription drug as identified by its National Drug Code and published in the Red Book: Pharmacy's Fundamental Reference as of the date of dispensing for all prescription drugs, including repackaged and relabeled drugs;
- (3) Require that any prescription drug that is not available at a major retail pharmacy within the State is not reimbursable;
- (4) Establish a reimbursement ceiling for compounded prescription drugs that does not exceed one hundred forty percent of the average wholesale price by gram weight of each underlying prescription drug, set by the original manufacturer of the underlying prescription drug as identified by its National Drug Code and published in the Red Book: Pharmacy's Fundamental Reference as of the date of compounding;
- (5) Require that all pharmaceutical claims submitted for repacked, relabeled, or compounded prescription drugs include the National Drug Code of the original manufacturer;
- (6) Establish a reimbursement ceiling that does not exceed one hundred forty percent of the average wholesale price set by the original manufacturer's National Drug Code number as listed in the Red Book: Pharmacy's Fundamental Reference of the prescription drug that is most closely related to the underlying drug product if the original manufacturer of an underlying drug product used in the repackaged, relabeled, or compounded prescription drugs is not provided or is unknown;
- (7) Require equivalent generic drug products to be substituted for brand name pharmaceuticals unless the prescribing physician certifies that a brand name pharmaceutical is necessary;
- (8) Add a definition of "equivalent generic drug product"; and
- (9) Clarify that the fees for injuries covered by personal injury protection benefits under section 431:10C-308.5, Hawaii Revised Statutes, shall not exceed the charges permissible under section 386-21, Hawaii Revised Statutes, or the new section in chapter 386, Hawaii Revised Statutes

Your Committee on Conference finds that Hawaii's existing reimbursement rates for pharmaceuticals in workers' compensation claims are among the highest in the nation for brand and generic products. Existing administrative rules allow pharmaceuticals to be charged to insurance carriers at up to one hundred forty percent of the average wholesale price listed in the Red Book: Pharmacy's Fundamental Reference. However, existing statute and administrative rules do not address the reimbursement of repackaged, relabeled, or compound medications. As a result, third-party companies are able to buy prescription drugs in bulk; repackaging, relabel, or compound the medications; and attach their own National Drug Code to the repackaged, relabeled, or compound medications with average wholesale prices that are higher than the average wholesale prices of the original manufacturers. Insurance carriers are then billed at one hundred forty percent of the higher average wholesale price, which results in higher charges. This measure clarifies reimbursement rates for repackaged, relabeled, and compounded medications and thereby assists the Department of Labor and Industrial Relations in reducing billing disputes involving the correct payments for prescription repackaged, relabeled, and compounded medications.

Your Committee on Conference has amended this measure by:

- (1) Clarifying in the purpose section that this measure does not restrict and is not intended to restrict the ability of any health provider other than a physician to dispense, bill for, and receive payment for prescription drugs that are reasonably needed as the nature of the injury requires;
- (2) Setting the reimbursement price for all forms of prescription drugs, including repackaged, relabeled, and compounded drugs, at exactly, rather than up to, one hundred forty percent of the average wholesale price set by the original manufacturer of the dispensed prescription drug;



- (3) Allowing the reimbursement price for repackaged, relabeled, and compound prescription drugs to be a lower amount if the employer or carrier, or any entity acting on behalf of the employer or carrier, directly contracts with the provider or the provider's assignee for the lower amount;
- (4) Deleting the language that would have prohibited reimbursement for any prescription drug not available at a major retail pharmacy;
- (5) Changing the effective date from July 1, 2050, to July 1, 2014; and
- (6) Making technical, nonsubstantive 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. 2365, 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. 2365, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Baker and Slom.

Managers on the part of the Senate.

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

Representatives Nakashima, McKelvey, Yamashita, Creagan and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 107-14 on S.B. No. 2073**

The purpose of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committee on Conference finds that on April 17, 2014, the State received notification that an arbitration award regarding the Hawaii Government Employees Association (HGEA) and the employer for collective bargaining unit (6) was issued. In addition, an agreement with HGEA was reached regarding Hawaii Employer-Union Health Benefits Trust Fund employer contributions.

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

- (1) Inserting specific amounts for collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2013-2015, pursuant to the arbitration award and reached agreement;
- (2) Changing the effective date from July 1, 2114, to upon approval; and
- (3) Making technical, nonsubstantive 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. 2073, 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. 2073, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige and Shimabukuro.

Managers on the part of the Senate.

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

Representatives Nakashima, Luke, Yamashita and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 108-14 on S.B. No. 2074**

The purpose of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committee on Conference finds that on February 27, 2014, the State received notification of ratification regarding a tentative agreement between the Hawaii Government Employees Association (HGEA) and the employer for collective bargaining unit (9). In addition, an agreement with HGEA was reached regarding Hawaii Employer-Union Health Benefits Trust Fund employer contributions.

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

- (1) Inserting specific amounts for collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2013-2015, pursuant to the agreement reached; and
- (2) Making technical, nonsubstantive 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. 2074, 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. 2074, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige and Shimabukuro.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Shimabukuro).

Representatives Nakashima, Luke, Yamashita and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 109-14 on H.B. No. 2413**

The purpose of this measure is to apply Hawaii's prevailing wage law for public construction work projects to public-private partnerships by including public-private partnerships in the definition of a governmental contracting agency.

Your Committee on Conference has amended this measure by changing the effective date to 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. 2413, 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. 2413, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs and Speaker of the House of Representatives on behalf of the Committee.

Senators Hee, Keith-Agaran and Shimabukuro.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Nakashima, Creagan, Woodson and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 110-14 on H.B. No. 2152**

The purpose of this measure is to stimulate economic growth for the State and continue to develop the state's emerging aerospace sector by:

- (1) Appropriating general funds to support various administrative and general tasks, and specific strategic program initiatives, of the Pacific International Space Center for Exploration Systems; and
- (2) Authorizing the issuance of general obligation bonds to support the development of a research and development park for the Pacific International Space Center for Exploration Systems.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation of \$500,000 to support various administrative and general tasks, and specific strategic program initiatives, of the Pacific International Space Center for Exploration Systems;
- (2) Deleting provisions specifying how the appropriation should be distributed between the administrative and general tasks and the specific program initiatives and allowing the Pacific International Space Center for Exploration Systems to make this determination;
- (3) Deleting provisions authorizing the issuance of general obligation bonds to support the development of a research and development park for the Pacific International Space Center for Exploration Systems;
- (4) Changing its effective date to July 1, 2014; 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. 2152, 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. 2152, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Tsuji, Onishi, Ito and Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. 111-14 on H.B. No. 2464**

The purpose of this measure is to clarify how the important agricultural land qualified agricultural cost tax credit is to be calculated.

Your Committee on Conference has amended this measure by:

- (1) Removing the authorization for taxpayers who filed claims for taxable years ending prior to January 1, 2014, to claim the additional tax credits allowed under this measure; and
- (2) Changing its effective date to apply, upon approval, to taxable years beginning after July 1, 2008.

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. 2464, 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. 2464, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Ige and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Yamashita, Onishi, Wooley and Johanson.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Wooley).

**Conf. Com. Rep. 112-14 on H.B. No. 1752**

The purpose of this measure is to provide health care to Hawaii residents that are uninsured, underinsured, potential Medicaid enrollees, or Medicaid enrollees by appropriating funds for:

- (1) Community health centers to provide direct health care to uninsured and underinsured patients;
- (2) The restoration of basic adult dental benefits to Medicaid enrollees;
- (3) Outreach and eligibility services for children, families, and individuals at federally qualified health centers;
- (4) The establishment of health homes for Medicaid enrollees as provided in the federal Patient Protection and Affordable Care Act;
- (5) The establishment of health homes for Medicaid enrollees at federally qualified health centers as provided in the Patient Protection and Affordable Care Act; and
- (6) The provision of behavioral health services at federally qualified health centers.

Your Committee on Conference has amended this measure by:

- (1) Deleting appropriations for all services, except the restoration of basic adult dental benefits to Medicaid enrollees;
- (2) Appropriating \$1,500,000 for fiscal year 2014-2015 for the restoration of basic adult dental benefits to Medicaid enrollees, provided that funds will not be expended unless the Department of Human Services obtains federal matching funds;
- (3) Changing its effective date to July 1, 2014; and
- (4) 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 H.B. No. 1752, 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. 1752, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Green and Kidani.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Carroll, Belatti, Jordan and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 113-14 on H.B. No. 1993**

The purpose of this measure is to protect minors and other household members from domestic abuse by:

- (1) Requiring police officers to make a reasonable inquiry of the family or household member upon whom the officer believes that physical abuse or harm has been inflicted, and inquire the same of any available witnesses;
- (2) Requiring a police officer to order a person to leave the premises for a period of separation of forty-eight hours, regardless of whether the police officer has reasonable grounds to believe that there is probable danger of further physical abuse or harm being inflicted by one person upon a family or household member; and
- (3) Making the commission of an act of physical abuse in the presence of a family or household member who is less than fourteen years of age a class C felony.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the person ordered by a police officer to leave the premises for a period of separation of forty-eight hours is the person whom the police officer reasonably believes has inflicted the abuse; and

- (2) Changing its effective date to 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. 1993, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1993, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Carroll, Rhoads, Nishimoto, Kawakami and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Fukumoto).

**Conf. Com. Rep. 114-14 on H.B. No. 2293**

The purpose of this measure is to provide increased access to medical care for Hawaii residents and create more sustainable hospitals by continuing the Hospital Sustainability Program established in 2012. Among other things, this measure:

- (1) Continues the Hospital Sustainability Program by extending its sunset date to June 30, 2015, and the Hospital Sustainability Program Special Fund to December 31, 2015;
- (2) Makes a blank appropriation for the Hospital Sustainability Program Special Fund; and
- (3) Extends the repeal date of the exemptions for the Hospital Sustainability Program Special Fund from assessments for central service expenses and departmental administrative expenses.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$50,000,000 for the Hospital Sustainability Program Special Fund;
- (2) Deleting the extension of the repeal date of exemptions for the Hospital Sustainability Program Special Fund from assessments for central service expenses and departmental administrative expenses; and
- (3) Changing its effective date to June 29, 2014, provided that the appropriation takes effect on July 1, 2014.

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. 2293, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2293, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Chun Oakland, Ige, Ruderman and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Carroll, Belatti, Kobayashi, Morikawa and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Kobayashi).

**Conf. Com. Rep. 115-14 on H.B. No. 2490**

The purpose of this measure is to enhance the existing juvenile justice system by instituting the Hawaii Juvenile Justice Working Group's recommendations for juvenile justice reform, including, among other things:

- (1) Requiring the Director of the Office of Youth Services or the Director's designee to develop a comprehensive reentry plan for certain persons committed to the Hawaii Youth Correctional Facility;
- (2) Specifying supervision requirements for children placed on probation pursuant to section 571-48(1)(A), Hawaii Revised Statutes, and requiring that probation officers create a case plan in consultation with the child and the child's parent, legal guardian, or custodian;
- (3) Requiring the Judiciary to adopt guidelines and procedures for the development and application of graduated sanctions, including presumptive sanctions for common violations and incentives for compliance with probation requirements;
- (4) Permitting a child to earn discharge credits to reduce the length of the child's probation term;
- (5) Establishing a statewide juvenile justice interdepartmental cluster to provide coordinated services to certain children under the jurisdiction of the Family Court;
- (6) Specifying factors that the Director of the Office of Youth Services must consider when granting parole;
- (7) Requiring the Executive Director of the Office of Youth Services to submit an annual report to the Board of Family Court Judges and the Hawaii Juvenile Justice State Advisory Council including the number of persons committed to the Executive Director's custody;
- (8) Requiring the Board of Family Court Judges to provide guidelines and procedures necessary to implement a single statewide standardized tool to conduct risk and needs assessments and validation of the tool every five years;

- (9) Requiring probation officers to complete annual training on juvenile justice or probation supervision best practices;
- (10) Requiring intake officers to compile monthly reports indicating the number of cases diverted and the types of alleged offenses precipitating the referral of the child to court;
- (11) Requiring the directors of the family courts of each circuit to establish a framework that includes criteria that probation officers shall use to guide their discretion in providing informal adjustment;
- (12) Requiring the family court to conduct a risk and needs assessment prior to disposition, and authorizing the family court to suspend delinquency proceedings to obtain substance abuse or mental health treatment;
- (13) Requiring a probation officer to refer the child to the Department of Health for a determination of eligibility for services if a risk and needs assessment indicates substance abuse or mental health need;
- (14) Establishing a Juvenile Justice Oversight Advisory Council to oversee implementation of the juvenile justice reforms in this measure and issue reports necessary to evaluate its effectiveness; and
- (15) Making a blank appropriation for juvenile justice system services.

Your Committee on Conference finds that there is a need to improve and enhance the existing juvenile justice system as recommended by the Hawaii Juvenile Justice Working Group. Over the last decade, the number of juvenile offenders in the State confined for nonviolent offenses has risen. When juvenile offenders are confined for nonviolent offenses and placed in secure facilities, the risk of repeat offenses upon their release increases. Furthermore, critical services to reduce delinquency, including mental health and substance abuse treatment, are not sufficiently accessible to the State's youth.

This measure will reform the State's juvenile justice system and protect public safety through targeted juvenile justice reforms, including concentrating secure bed space on serious juvenile offenders; strengthening disposition, adjustment, and the array of services available for juvenile offenders; and establishing the Juvenile Justice Oversight Advisory Council.

Your Committee on Conference also finds that this measure will provide for systematic coordination between the appropriate service providers and government entities, ensuring that evidence-based practices and effective mental health and substance abuse treatments are being tailored to each child's specific needs. Your Committee on Conference further finds that reentry planning would allow youth to safely and effectively transition back into the community.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Executive Director of the Office of Youth Services is responsible for developing reentry plans for youth serving concurrent terms of probation;
- (2) Requiring each Deputy Chief Administrator to:
  - (A) Adopt policies or procedures for implementation of the adopted graduated sanctions and incentives system;
  - (B) Submit an annual report to the Board of Family Court Judges and Hawaii Juvenile Justice State Advisory Council; and
  - (C) Require each probation officer to complete annual training on juvenile justice or probation supervision best practices;
- (3) Amending the membership of the Juvenile Justice Oversight Advisory Council to include two members of the Department of Education, appointed by the Superintendent of Education;
- (4) Appropriating \$1,260,500 for fiscal year 2014-2015 for juvenile justice system services; provided that funds not expended and encumbered by the Hawaii Youth Correctional Facility due to savings from updated services and programs implemented by this measure will not lapse at the end of the fiscal year;
- (6) Amending the effective date to take effect upon July 1, 2014, provided that Section 15 takes effect on October 1, 2014, and Sections 3 and 14 take effect on November 1, 2014, and all apply to delinquent behavior on or after the specified date; and
- (7) 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 H.B. No. 2490, 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. 2490, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs and Speaker of the House of Representatives on behalf of the Committee.

Senators Chun Oakland, Espero, Hee, Ige and Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Espero, Slom).

Representatives Carroll, Creagan, Ing, Awana and Thielen.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Awana, Thielen).

**Conf. Com. Rep. 116-14 on H.B. No. 238**

The purpose of this measure is to support certain witnesses in criminal proceedings by:

- (1) Increasing the per diem rate for out-of-state witnesses from \$110 to an unspecified amount; and
- (2) Providing an additional unspecified amount as a per diem payment for witnesses traveling from another island within the State who are required to stay overnight.

Your Committee on Conference has amended this measure by:

- (1) Providing that:
  - (A) The per diem rate for out-of-state witnesses will increase to \$145; and
  - (B) The additional per diem payment for witnesses traveling from another island who are required to stay overnight will be \$90; and
- (2) Making the bill effective July 1, 2014.

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. 238, 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. 238, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, Luke, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Kawakami).

**Conf. Com. Rep. 117-14 on H.B. No. 1288**

The purpose of this measure is to address the order of succession to the office of the Lieutenant Governor by:

- (1) Maintaining succession to, first, the Senate President followed by the House Speaker, when the office of the Lieutenant Governor becomes vacant, provided that the individual meets the new qualification of being of the same political party as the Governor;
- (2) Authorizing the Governor to appoint a Lieutenant Governor, who is a member of the same political party as the Governor and otherwise qualified under the Hawaii State Constitution, in the absence of a qualified successor when the office of the Lieutenant Governor becomes vacant; and
- (3) Clarifying the order of succession when the Lieutenant Governor is temporarily absent from the State or is temporarily disabled.

Your Committee on Conference has amended this measure by:

- (1) Making it effective 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. 1288, 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. 1288, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, Nishimoto, Brower and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 118-14 on H.B. No. 1635**

The purpose of this measure is to require that effective July 1, 2014:

- (1) The salary of the Administrative Director of the Courts be equal to the salary of the Administrative Director of the State; and
- (2) The salary of the Deputy Administrative Director of the Courts be equal to an unspecified percentage of the salary of the Administrative Director of the Courts.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the salary of the Deputy Administrative Director of the Courts shall be equal to 95 percent of the salary of the Administrative Director of the Courts; and
- (2) Making it effective on July 1, 2014.

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. 1635, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1635, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, Ing, Belatti and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 119-14 on H.B. No. 2246**

The purpose of this measure is to promote state compliance with federal firearm regulations by:

- (1) Establishing a court-based program for persons who are federally prohibited from possessing a firearm based on previous adjudication as mentally defective or commitment to a mental institution to petition for relief from the federal firearm prohibitor;
- (2) Providing that the court shall grant such a petition for relief when the petitioner can show by a preponderance of the evidence that the petitioner is not likely to act in a manner dangerous to public safety and granting relief is not contrary to the public interest; and
- (3) Requiring the courts to provide information relating to the outcome of such petitions and to involuntary civil commitments to the Hawaii Criminal Justice Data Center for use by law enforcement officials for firearms permitting or registration and for submission to the Federal Bureau of Investigation National Instant Criminal Background Check System (NICS) database for gun control purposes.

Your Committee on Conference has amended this measure by increasing the standard of proof from preponderance of the evidence to clear and convincing evidence for a petitioner to prove that the petitioner will not be likely to act in a manner dangerous to public safety and the granting of relief will not be contrary to public interest in order for the court to grant a petition for relief.

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. 2246, 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. 2246, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Espero, Hee, Chun Oakland and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

Representatives Rhoads, Ing, Creagan and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 120-14 on H.B. No. 1712**

The purpose of this measure is to:

- (1) Authorize the issuance of general obligation bonds to finance project appropriations contained in Acts of the Legislature for which the means of funding are designated as general obligation bond funds or reimbursable general obligation bond funds; and
- (2) Make a declaration of findings regarding the authorizations as required by the Constitution of the State of Hawaii.

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 that the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has amended this measure by:

- (1) Inserting the appropriate dollar amounts throughout the measure as provided by the Department of Budget and Finance;
- (2) Updating dates cited in the measure;
- (3) Changing its effective date to upon 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. 1712, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1712, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Kidani and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Luke, Nishimoto, Yamashita and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 121-14 on H.B. No. 1514**

The purpose of this measure is to assist local coffee growers in their effort to control the coffee berry borer beetle by appropriating unspecified amounts for:

- (1) Education and mitigation activities to combat the coffee berry borer; and
- (2) Developing, operating, and implementing a five-year Pesticide Subsidy Program to partially offset the costs of purchasing specified pesticides containing *Beauveria bassiana*, a fungus known to eradicate the coffee berry borer, and hiring a temporary program specialist for the Program.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation for education and mitigation activities to combat the coffee berry borer;
- (2) Appropriating \$500,000 for the Pesticide Subsidy Program;
- (3) Clarifying that under the Program, a single coffee grower can receive subsidies of up to \$600 per year per acre of land in coffee production, but not more than \$9,000 per year;
- (4) Changing its effective date to July 1, 2014; and
- (5) 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. 1514, 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. 1514, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Gabbard, Kouchi, English and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Wooley, Onishi, Lowen and Matsumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 122-14 on H.B. No. 2179**

The purpose of this measure is to encourage agricultural production and economic growth by limiting the toll that the Board of Agriculture may charge for water provided by the Lower Hamakua Ditch through June 30, 2019.

Your Committee on Conference has amended this measure by:

- (1) Capping the toll at 20 cents per 1,000 gallons of water; and
- (2) Making it effective from July 1, 2015, through June 30, 2025.

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. 2179, 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. 2179, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Wooley, Onishi, Nakashima and Matsumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Nakashima).

**Conf. Com. Rep. 123-14 on H.B. No. 1702**

The purpose of this measure is to support those who are being displaced by the Kapalama container terminal project by establishing a capital infrastructure tax credit for taxpayers who invest in tenants displaced by the Kapalama container terminal project.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the capital infrastructure tax credit shall be for taxpayers for capital infrastructure costs that were paid or incurred;
- (2) Clarifying the definition of "capital infrastructure costs" and that it shall not include amounts for which another credit is claimed;
- (3) Removing ship repair from the list of principal businesses in the definition of qualified infrastructure tenant;
- (4) Specifying that the tax credit shall be equal to fifty percent of the capital infrastructure costs paid or incurred by the qualified infrastructure tenant during the taxable year up to a cap of \$2,500,000 in any taxable year;



- (5) Requiring notice from the qualified infrastructure tenant to the taxpayer claiming the credit of the amount of costs that may be claimed;
- (6) Clarifying that the credit shall be determined for a partnership at the entity level;
- (7) Specifying that the tax credit may be recaptured within three years under certain conditions and the recapture percentage based on the credit claimed;
- (8) Changing the effective date to July 1, 2014;
- (9) Removing language pertaining to the inapplicability of section 704(b)(2) of the Internal Revenue Code to allocations of the capital infrastructure tax credit; 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. 1702, 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. 1702, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Kidani and Wakai.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Nishimoto, Takayama and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 124-14 on H.B. No. 2037**

The purpose and intent of this measure is to appropriate funds to the Department of Health for the continued funding of Project Kealahou.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the sum of \$216,000 be appropriated to fund Project Kealahou;
- (2) Changing the effective date to July 1, 2014; 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. 2037, 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. 2037, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Morikawa, Jordan and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 125-14 on H.B. No. 2053**

The purpose of this measure is to address falls and fall-related injuries by elderly persons in the State by:

- (1) Establishing a Fall Prevention and Early Detection Coordinator position within the Department of Health Emergency Medical Services and Injury Prevention System Branch to coordinate the provision of public and private fall prevention and early detection services for the elderly; and
- (2) Appropriating an unspecified amount of funds from the Trauma System Special Fund to establish and fill this position.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$81,985 for Fiscal Year 2014-2015 to establish and fill the Fall Prevention and Early Detection Coordinator position; and
- (2) Changing the effective date to July 1, 2014.

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. 2053, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2053, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Green and Kidani.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Belatti, Takayama, Woodson and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 126-14 on H.B. No. 2094**

The purpose of this measure is to:

- (1) Extend by five years the repeal date of Act 21, Special Session Laws of Hawaii 2009, which requires home care agencies to be licensed by the Department of Health; and
- (2) Appropriate funds for fiscal year 2014-2015 for the establishment of a full-time permanent position in the Department of Health to facilitate the licensing of home care agencies.

This bill also requires that beginning with fiscal year 2015-2016 and each fiscal year thereafter, the Department of Health is to request funding for the full-time, permanent position established in this measure.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriation amount of \$150,000 for fiscal year 2014-2015 for the establishment of a full-time position in the Department of Health to facilitate the licensing of home care agencies; and
- (2) Changing its effective date to June 29, 2014, and making section 3 of this measure take effect on July 1, 2014.

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. 2094, 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. 2094, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Kidani, Green, Thielen and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, 1 (Slom).

Representatives Belatti, Morikawa, Hashem and Fukumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Hashem).

**Conf. Com. Rep. 127-14 on H.B. No. 2224**

The purpose of this measure is to help residents and prospective residents of clean and sober group homes to access a stable, alcohol- and drug-free, home-like living environment in residences that comply with federal, state, and county requirements and minimum quality standards by:

- (1) Establishing a voluntary clean and sober homes registry within the Department of Health to assist persons recovering from substance abuse;
- (2) Amending the relevant statutes on county zoning to delete redundant or obsolete language and to comply with the federal Fair Housing Amendments Act; and
- (3) Appropriating funds for Fiscal Year 2014-2015 for staffing and operating costs to plan, establish, and operate the registry of clean and sober homes.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000 for Fiscal Year 2014-2015 for staffing and operating costs to plan, establish, and operate the registry of clean and sober homes; and
- (2) Changing its effective date to July 1, 2014.

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. 2224, 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. 2224, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Espero, Chun Oakland, Galuteria and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Espero, Slom).

Representatives Belatti, McKelvey, Jordan and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 128-14 on H.B. No. 2581**

The purpose of this measure is to:

- (1) Establish a state innovation waiver task force (task force) to, among other things:

- (A) Develop a health care reform plan that meets requirements for obtaining a state innovation waiver under the federal Patient Protection and Affordable Care Act of 2010;
  - (B) Prepare a draft application for a state innovation waiver, to take effect for plan years beginning on or after January 1, 2017; and
  - (C) Submit two interim reports and one final report of its actions, findings, recommendations, and any proposed legislation, to the Legislature; and
- (2) Appropriating funds for Fiscal Year 2014-2015 for the operations of the task force.

Your Committee on Conference has amended this measure by:

- (1) Changing the composition of the task force membership as follows:
  - (A) Deleting the Director of Commerce and Consumer Affairs and the Chairperson of the Board of Directors of the Hawaii Health Connector from the task force; and
  - (B) Adding the Attorney General and a representative of the Hawaii Primary Care Association to the task force;
- (2) Deleting the appropriation; and
- (3) Changing its effective date 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. 2581, 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. 2581, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero and Nishihara.

Managers on the part of the Senate.

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

Representatives Belatti, McKelvey, Nishimoto, Lee, Oshiro and McDermott.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Lee, Nishimoto).

**Conf. Com. Rep. 129-14 on H.B. No. 849**

The purpose of this measure is to update and recodify Hawaii's emergency management laws to conform with nationwide emergency management practices. Among other things, this measure:

- (1) Establishes a Hawaii Emergency Management Agency in the state Department of Defense with the functions and authority currently held by the state Civil Defense Agency;
- (2) Establishes the power and authority of the Director of Hawaii Emergency Management, who will be the Adjutant General, and provide the Director with the functions and authority currently held by the Director of Civil Defense;
- (3) Establishes the Hawaii Advisory Council on Emergency Management to confer with and advise the Governor in emergency management matters, and provides the Advisory Council with responsibilities currently held by the Civil Defense Advisory Council;
- (4) Establishes an Emergency Reserve Corps, to be made up of trained specialists, to support state and county emergency requirements;
- (5) Codifies the existing State Warning Point, which is a physical location where warning systems are continually monitored;
- (6) Codifies and clarifies the mayors' authority for emergency management in their respective counties;
- (7) Establishes county emergency management agencies, each to be under the respective county mayor's direction, with the functions and authority currently held by the local organizations for civil defense;
- (8) Codifies the existing practice that all state and county officials, officers, and employees are considered "emergency workers" subject to the direction of their respective state or county department director during emergencies or disasters;
- (9) Clarifies the Governor's authority for emergency management, and specifies that the Governor may "assume direct operational control" over local emergencies and disasters only during an "emergency period" when a state of emergency has already been declared by the Governor;
- (10) Authorizes the Governor and mayors to delegate their emergency management powers consistent with current civil defense authority and practice;
- (11) Establishes how proclamations are promulgated and terminated consistent with current authority for civil defense proclamations;
- (12) Requires that the proclamations be posted on the applicable state or county emergency management agency website in addition to other means of promulgation, and that they remain posted until terminated;
- (13) Provides definitions of key emergency management terms, such as "critical infrastructure," "emergency," "emergency management," "emergency management functions," and "emergency period"; and

- (14) Repeals chapters on Disaster Relief and the Civil Defense Emergency Act which have been determined to be obsolete with the creation of the Hawaii Emergency Management Agency.

Your Committee on Conference has amended this measure by:

- (1) Establishing a provision that limits the requisition initiated by the Governor or Mayor to a period of 60 days;
- (2) Clarifying the Governor's additional powers in a disaster or emergency period, beyond local control;
- (3) Changing its effective date to July 1, 2014; 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. 849, 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. 849, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Hee and Kouchi.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives Aquino, Takai, Rhoads, Ing, Awana and McDermott.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 130-14 on H.B. No. 2363**

The purpose of this measure is to establish a pilot project to demonstrate the cost-effectiveness of providing a coordinated system of reentry treatment and support services to help nonviolent, low-risk drug offenders transition from jail or prison back into the community.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000 for fiscal year 2014-2015 for the reentry pilot project;
- (2) Changing the effective date to July 1, 2014, and the repeal date to June 30, 2016; 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. 2363, 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. 2363, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs and Speaker of the House of Representatives on behalf of the Committee.

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

Representatives Aquino, Creagan, Ing, Takayama and McDermott.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 131-14 on S.B. No. 2246**

The purpose of this measure is to make an appropriation to satisfy several claims against the State, its officers, or its employees, including claims for legislative relief, judgments against the State, settlements, and other miscellaneous claims.

Your Committee on Conference finds that this measure requests a total of \$1,689,802.03 in appropriations from the general fund to satisfy nineteen claims against the State and a total of \$822,500 in appropriations from the state highway fund to satisfy four claims against the State. The grand total for the twenty-three claims settled in this measure as received by your Committee is \$2,512,302.03. Timely passage of this measure will minimize the State's obligation to pay interest on those amounts.

Your Committee on Conference notes that since this measure was last amended, nine additional claims have been resolved. These nine claims require a total of \$464,324 in appropriations from the general fund.

Accordingly, your Committee on Conference has amended this measure by adding general fund appropriations for nine additional claims totaling \$464,324 to this measure, as requested by the Department of the Attorney General, which increases the grand total amount of appropriations in this measure to \$2,976,626.03 in order to satisfy a total of thirty-two claims against the State, its officers, or its employees.

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. 2246, 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. 2246, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Har, Luke, Lee and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 132-14 on S.B. No. 2634**

The purpose of this measure is to promote transparency in lobbying activities by:

- (1) Adding a definition of “lobbying material”; and
- (2) Requiring individuals who spend more than \$750 on lobbying during an expenditure statement period to itemize each expenditure under certain categories and to account for expenditures listed as “other disbursements”.

Your Committee on Conference finds that existing law requires the reporting of total lobbying expenditures but does not require that these expenditures be categorized according to their nature and purpose. This measure provides greater transparency regarding the expenditures that are made by lobbyists and lobbying organizations seeking to influence legislative action by requiring the categorization of lobbying expenditures.

Your Committee on Conference notes that this measure is not intended to redefine the existing definition of lobbying under state law, nor is it intended to expand the types of items considered to be lobbying. Instead, the intent of this measure is to add certain categories to the reporting of such expenses.

Your Committee on Conference has amended this measure by:

- (1) Deleting the proposed definition of “lobbying material”;
- (2) Deleting language that would have required that each item under the category “other disbursements” contain the amount, date, purpose, and recipient of the disbursement; and
- (3) Changing the effective date from July 1, 2030, 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. 2634, 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. 2634, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, Ing, Brower and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Brower).

**Conf. Com. Rep. 133-14 on S.B. No. 2609**

The purpose of this measure is to:

- (1) Increase the minimum wage rate to:
  - (A) \$7.75 per hour beginning January 1, 2015;
  - (B) \$8.50 per hour beginning January 1, 2016;
  - (C) \$9.25 per hour beginning January 1, 2017; and
  - (D) \$10.00 per hour beginning January 1, 2018;
- (2) Increase the tip credit to:
  - (A) 50 cents per hour beginning January 1, 2015; and
  - (B) 75 cents per hour beginning January 1, 2016; and
- (3) Establish that beginning January 1, 2015, the combined amount a tipped employee receives in wages and tips must be at least \$7.00 more than the applicable minimum wage in order for an employer to apply the tip credit for the employer’s tipped employee.

Your Committee on Conference finds that the hourly minimum wage in Hawaii has not increased since 2007. Since that time, the cost of living has risen steadily, while worker purchasing power has continued to diminish. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two or more jobs to maintain a basic standard of living. Your Committee on Conference believes that providing minimum wage workers with a higher hourly pay will further the economic recovery of Hawaii and help lift Hawaii’s working poor out of poverty.

Your Committee on Conference has amended this measure by changing the minimum wage rate beginning January 1, 2018, from \$10.00 per hour to \$10.10 per hour.

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. 2609, 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. 2609, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige, Ihara, Kouchi and Shimabukuro.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Nakashima, Luke, Ichiyama, Nishimoto and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Nishimoto).

**Conf. Com. Rep. 134-14 on S.B. No. 2821**

The purpose of this measure is to:

- (1) Adopt revisions to the National Association of Insurance Commissioners' model laws on Credit for Reinsurance Model Act, Standard Valuation Law, Standard Nonforfeiture Law for Life Insurance, and Insurance Holding Company System Regulatory Act; and
- (2) Ensure the Insurance Division of the Department of Commerce and Consumer Affairs maintains its accreditation with the National Association of Insurance Commissioners.

Your Committee on Conference finds that the revisions to the State's Insurance Code in this measure are part of the National Association of Insurance Commissioners' Solvency Modernization Initiative, a critical self-examination to update the nation's insurance solvency regulation framework and review international developments regarding insurance supervision, banking supervision, and international accounting standards and their use in the country's insurance regulation.

Your Committee on Conference further finds that the National Association of Insurance Commissioners' financial regulation standards and accreditation program ensure that each state has adequate solvency laws and regulations to protect consumers and guarantee reserve funds. This measure protects consumers in Hawaii and ensures that the Insurance Division of the Department of Commerce and Consumer Affairs retains its accreditation with the National Association of Insurance Commissioners.

Your Committee on Conference has amended this measure by:

- (1) Adding a definition for "domestic insurance holding company system";
- (2) Deleting a definition for "domestic single-state insurer";
- (3) Clarifying that an insurer required to file financial statements of an insurance holding company system upon the request of the Insurance Commissioner may satisfy this request by providing the Commissioner with the most recently filed financial statements of the parent corporation that have been filed with the Securities and Exchange Commission;
- (4) Specifying that the ultimate controlling person of a domestic insurance holding company system, rather than a domestic single-state insurer with specified premium and surplus amounts, shall be exempt from the requirement to file an annual enterprise risk report;
- (5) Clarifying that a domestic insurer and a domestic insurance holding company system are exempt from certain standards and management requirements related to the board of directors of a domestic insurer under certain circumstances;
- (6) Permitting the Insurance Commissioner to examine any insurer registered under section 431:11-105, Hawaii Revised Statutes, as reasonably necessary to ascertain the financial condition of the insurer, subject to certain limitations;
- (7) Specifying the obligation of persons to attend as a witness pursuant to a subpoena;
- (8) Inserting an effective date of July 1, 2014; provided that part I of this measure shall take effect on January 1, 2015; provided further that part IV of this measure shall take effect on January 1, 2016; and
- (9) Making technical, nonsubstantive 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. 2821, 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. 2821, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero, Keith-Agaran, Taniguchi and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

Representatives McKelvey, Nishimoto, Tokioka, Tsuji and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Tokioka, McDermott).

**Conf. Com. Rep. 135-14 on S.B. No. 2478**

The purpose of this measure is to:

- (1) Update the scope of practice for chiropractic to reflect standards, practices, and terminology accepted by the National Board of Chiropractic Examiners; and
- (2) Limit employer liability for chiropractic treatment under the Workers' Compensation Law.

Your Committee on Conference finds that this measure updates the scope of practice for chiropractic in conformity to the standards of practice accepted by the National Board of Chiropractic Examiners. This measure therefore enables the scope of practice for chiropractors in Hawaii to reflect standards of care, practices, and terminology that are aligned with nationally recognized practice parameters and will enable chiropractic licensees to keep abreast with advances in health care and the chiropractic profession.

Your Committee on Conference notes that because this measure is intended to focus on scope of practice for chiropractic, provisions in this measure relating to Hawaii's Workers' Compensation Law should be removed.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that specified the number of treatments and treatment cost rate and number of x-rays and x-ray cost rate allowed under the Workers' Compensation Law for chiropractic treatment;
- (2) Clarifying that chiropractic is the system of specific adjustment or manipulation of the joints and tissues, including by the application of physiotherapeutic methods;
- (3) Clarifying that the scope of chiropractic shall be limited to those diagnostic and treatment services and procedures that have been taught by a chiropractic college accredited by an accrediting organization recognized by the United States Department of Education and approved by the Board of Chiropractic Examiners;
- (4) Clarifying the treatments that chiropractic licensees may use to examine, analyze, and diagnose the human body;
- (5) Specifying that chiropractic licensees may use the methods of examination for diagnosis and analysis taught by a chiropractic college accredited by an accrediting organization recognized by the United States Department of Education and approved by the Board of Chiropractic Examiners;
- (6) Prohibiting a person who has not complied with the requirements of chapter 442, Hawaii Revised Statutes, from using the title "chiropractic physician" to suggest that the person is engaged in the practice of chiropractic, and removing the prohibition on the use of the term "physician" by a chiropractic licensee;
- (7) Inserting an effective date of upon approval; and
- (8) Making technical, nonsubstantive 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. 2478, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2478, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi and Slom.

Managers on the part of the Senate.

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

Representatives Belatti, McKelvey, Morikawa, Creagan, Jordan and McDermott.

Managers on the part of the House.

Ayes, 4. Noes, 1 (Creagan). Excused, 1 (McDermott).

**Conf. Com. Rep. 136-14 on S.B. No. 2948**

The purpose of this measure is to:

- (1) Transition the Public Utilities Commission (Commission) from its administrative placement within the Department of Budget and Finance to a semi-autonomous agency that is administratively attached to the Department of Commerce and Consumer Affairs;
- (2) Increase the compensation of the Chairperson and Commissioners of the Commission;
- (3) Clarify that notwithstanding section 26-35, Hawaii Revised Statutes, the Commission has authority concerning standard administrative practices, including operational expenditures and the hiring of personnel;
- (4) Enable the Chairperson of the Commission to appoint, employ, and dismiss all officers and employees under the Commission, including an executive officer, who shall be responsible for managing the operations of the commission;
- (5) Enable the Chairperson of the Commission to appoint, employ, and dismiss a fiscal officer and a personnel officer, with or without regard to the civil service law, to further support the administrative activities of the Commission;
- (6) Establish the position of Executive Director of the Division of Consumer Advocacy, which shall be the Consumer Advocate; and
- (7) Appropriate funds to assist with the transition of the Commission and for the hiring of an executive officer, a fiscal officer, and a personnel officer within the Commission.

Your Committee on Conference finds that the statutory responsibility of the Commission, which is currently administratively attached to the Department of Budget and Finance, requires a unique organizational structure and specialized staff. This measure transfers the Commission from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs, a state department whose mission is more closely aligned with the mission of the Public Utilities Commission. Your Committee on Conference further finds that placing the Commission under the Department of Commerce and Consumer Affairs, for administrative

purposes only, will also facilitate the Commission's goal of self-reliance by permitting the Commission to obtain and allocate its resources more efficiently.

Your Committee on Conference additionally finds that this measure ensures a smooth transition for the Commission from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs, enables the Commission to carry out its various regulatory responsibilities in a more efficient manner, addresses the role of the Consumer Advocate, and ensures that important decisions relating to public utilities continue to be made in the public interest.

Your Committee on Conference has amended this measure by:

- (1) Removing references to the Commission as a semi-autonomous agency and specifying that the Commission shall be placed, for administrative purposes only, within the Department of Commerce and Consumer Affairs;
- (2) Clarifying the limitations of the Department of Commerce and Consumer Affairs in affecting the Commission's day to day operations;
- (3) Removing language that would have increased the compensation of the Chairperson and Commissioners of the Commission, beginning July 1, 2014;
- (4) Creating a direct line of communication between the Commission and the Governor or Legislature, unless otherwise agreed to by the Chairperson of the Commission and the Department of Commerce and Consumer Affairs;
- (5) Increasing the balance that may be retained in the Public Utilities Commission special fund at the end of each fiscal year, from \$1,000,000 to \$4,000,000;
- (6) Changing the appropriation in this measure from an unspecified amount to \$450,000, to effectuate the transfer of the Commission and for the hiring of an executive officer, fiscal officer, and personnel officer;
- (7) Enabling the Department of Budget and Finance to transfer positions and funds for the Commission to the Commission or the Department of Commerce and Consumer Affairs;
- (8) Clarifying provisions related to the preservation of Commission rules, policies, procedures, and similar material; deeds, leases, contracts, and other related documents; costs and expenses; and the transition period associated with the transfer of the Commission from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs;
- (9) Updating the purpose section;
- (10) Inserting an effective date of July 1, 2014; and
- (11) Making technical, nonsubstantive 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. 2948, 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. 2948, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Nishimoto, Har, Kawakami, Lee and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Har, McDermott).

**Conf. Com. Rep. 137-14 on S.B. No. 2581**

The purpose of this measure is to:

- (1) Modify the composition, quorum requirement, and duties of the State Building Code Council;
- (2) Amend the state building code, including the clarification of terminology, code adoption process, and staggering of code adoptions;
- (3) Prohibit the State Building Code Council from adopting provisions in the Hawaii state building codes that conflict with laws governing contractors; and
- (4) Appropriate funds to the Department of Accounting and General Services for the State Building Code Council and staff to carry out their duties and functions, including operating costs and staff salaries.

Your Committee on Conference finds that modern building codes are necessary to protect the citizens of Hawaii. In 2012, the State Building Code Council recommended an updated series of codes to be established as the new Hawaii State Building Code. However, due to a lack of funding, the process was never completed. This measure addresses the importance of the State Building Code Council's composition and duties to benefit the integrity of the code adoption process and appropriates funds to support the State Building Code Council's efforts to adopt a uniform set of statewide building codes and consistent standards.

Your Committee on Conference notes that while this measure requires the State Building Code Council to update the Hawaii state building codes and standards at least once every six years, the Council is encouraged to monitor updates to national building codes and propose changes more frequently if necessary.



Your Committee on Conference has amended this measure by:

- (1) Clarifying that the State Building Code Council member representing the Building Industry Association of Hawaii or the General Contractors Association of Hawaii shall serve alternating four-year terms between the two organizations, with the first four-year term to be served by the member representing the Building Industry Association of Hawaii;
- (2) Requiring, rather than permitting, the State Building Code Council to adopt, amend, or update Hawaii state building codes and standards on a staggered schedule, provided that any adoption, amendment, or update of any code occurs at least once every six years and is based upon an evaluation of the utility of the code or standard at the time each respective edition is published;
- (3) Inserting an appropriation amount of \$136,676;
- (4) Inserting an effective date of July, 1, 2014; and
- (5) Making technical, nonsubstantive 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. 2581, 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. 2581, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Dela Cruz, Kouchi, Thielen and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Luke, Kawakami, Yamashita and McDermott.

Managers on the part of the House.

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

**Conf. Com. Rep. 138-14 on S.B. No. 2583**

The purpose of this measure is to appropriate funds for a National Aeronautics and Space Administration and Pacific International Space Center for Exploration Systems engineering assessment of a proposal to establish a laser optical communications ground station in Hawaii, leading to infrastructure construction beginning in 2016, contingent on a dollar-for-dollar match of funds from the National Aeronautics and Space Administration.

Your Committee on Conference finds that space laser technology has the potential to support laser communications between spacecraft and Earth, provide ten to one hundred times higher data rates than traditional radio frequency systems with the same mass and power, and stimulate the State's economy through the creation of high-tech jobs. Your Committee on Conference further finds that the National Aeronautics and Space Administration conducted a detailed statistical analysis of weather patterns and identified Hawaii as the best site in the United States to establish the first laser optical communications ground station.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000; and
- (2) Changing the effective date to July 1, 2014.

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. 2583, 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. 2583, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Kouchi and Slom.

Managers on the part of the Senate.

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

Representatives Tsuji, Takayama, Ito and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 139-14 on S.B. No. 2315**

The purpose of this measure is to appropriate funds for the Department of Public Safety to provide substance abuse treatment services to the inmates of the Halawa Correctional Facility.

Your Committee on Conference finds that a substantial number of inmates incarcerated at Halawa Correctional Facility have significant substance abuse problems. However, the Halawa Correctional Facility lacks the resources to provide substance abuse treatment services to inmates who need the services. This measure appropriates funds to increase the availability of substance abuse treatment services at Halawa Correctional Facility.

Your Committee on Conference has amended this measure by:

- (1) Specifying an appropriation amount of \$110,000;
- (2) Changing the effective date to July 1, 2014; and
- (3) Making a technical, nonsubstantive amendment 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. 2315, 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. 2315, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Aquino, Ing, Takayama and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 140-14 on H.B. No. 2590**

The purpose of this measure is to increase voter participation in elections by permitting late voter registration at absentee polling places beginning in 2016, and authorizing late voter registration at precinct polling places on Election Day beginning in 2018.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the requirements of the late voter registration application process by:
  - (A) Specifying that the signed affidavit submitted by a person wishing to register shall be a sworn affirmation, which shall include an acknowledgement that providing false information may result in a class C felony;
  - (B) Deleting the requirement that the registration clerk demand evidence of residency of any person wishing to register to vote, and instead authorizing the registration clerk to accept the person's allegation of residency as prima facie evidence, unless it is contested by a qualified voter; and
  - (C) Allowing the registration clerk to demand substantiating evidence as to information contained in an application, other than an allegation of residency;
- (2) Inserting an appropriation amount of \$100,000 for the counties to implement the measure's voter registration provisions;
- (3) Making all sections of the measure, except for the late registration and registration at absentee polling places sections, effective on July 1, 2014; 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. 2590, 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. 2590, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige and Shimabukuro.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, Ing, Creagan and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Thielen).

**Conf. Com. Rep. 141-14 on H.B. No. 1714**

The purpose of this measure is to address the effects of climate change adaptation through 2050 to protect the State's economy, health, environment, and way of life by:

- (1) Establishing an Interagency Sea Level Rise Vulnerability and Adaptation Committee within the Department of Land and Natural Resources to develop a sea level rise vulnerability and adaptation report for the State;
- (2) Requiring the Office of Planning to develop, monitor, and evaluate statewide strategic climate adaptation plans and actionable policy recommendations; and
- (3) Appropriating funds to the Office of Planning and Department of Land and Natural Resources for the purposes of this measure.

Your Committee on Conference has amended this measure by:

- (1) Renaming the Interagency Sea Level Rise Vulnerability and Adaptation Committee as the "Interagency Climate Adaptation Committee" (Committee);
- (2) Specifying that the Committee shall be jointly headed by the Chairperson of the Board of Land and Natural Resources, or the Chairperson's designee, and the Director of the Office of Planning, or the Director's designee; 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. 1714, 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. 1714, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

Senators Gabbard, Solomon and Ige.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Ige).

Representatives Lee, Luke, Evans, Lowen and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Evans, Thielen).

**Conf. Com. Rep. 142-14 on H.B. No. 1943**

The purpose of this measure is to eliminate technical and economic barriers that prevent customer-generators from interconnecting to the Hawaii electric grid in a timely manner by:

- (1) Amending the Public Utilities Commission principles regarding the modernization of the electric grid;
- (2) Requiring the Public Utilities Commission to initiate regulatory actions no later than July 1, 2014, to address upgrades to the Hawaii electric system for the anticipated growth of customer generation; and
- (3) Appropriating funds to the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs for the costs of the regulatory actions initiated by the Commission.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the principles associated with the modernization of the electric grid;
- (2) Removing the provisions regarding the funding and commencement of a regulatory action by the Public Utilities Commission to address the technical, policy, and economic issues associated with the modernization of the electric grid;
- (3) Changing the effective date to 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. 1943, 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. 1943, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Baker, Ige, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Lee, Kawakami, Nishimoto, Yamashita and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 143-14 on H.B. No. 1652**

The purpose of this measure is to support the University of Hawaii at Hilo College of Pharmacy by:

- (1) Establishing a five-year pilot program under which the University of Hawaii at Hilo College of Pharmacy will be financially and managerially autonomous;
- (2) Establishing the University of Hawaii at Hilo College of Pharmacy Special Fund;
- (3) Requiring, on January 1, 2015, and January 1 of each of the four years thereafter, the University of Hawaii at Hilo to report to the Legislature on the moneys in the University of Hawaii at Hilo College of Pharmacy Special Fund, including deposits, expenditures, and other transactions;
- (4) Requiring the College of Pharmacy at the University of Hawaii at Hilo to submit an annual financial and management report to the Board of Regents of the University of Hawaii, Governor, and Legislature at least 20 days prior to the convening of each regular session of the Legislature, commencing with the Regular Session of 2015 and ending with the Regular Session of 2019;
- (5) Requiring the University of Hawaii System to perform a program evaluation to consider whether the College of Pharmacy should be continued; and
- (6) Making an unspecified appropriation for the University of Hawaii at Hilo College of Pharmacy.

Your Committee on Conference has amended the bill by:

- (1) Establishing a seven-member University of Hawaii at Hilo College of Pharmacy Board of Governors, which will serve in an advisory capacity to the Chancellor of the University of Hawaii at Hilo and will report to the University of Hawaii Board of Regents and the Chancellor of the University of Hawaii at Hilo;
- (2) Codifying the establishment of the University of Hawaii at Hilo College of Pharmacy Pilot Program and University of Hawaii at Hilo College of Pharmacy Special Fund;

- (3) Beginning on January 1, 2015, requiring the University of Hawaii at Hilo College of Pharmacy Board of Governors to report semi-annually to the Legislature on the moneys in the University of Hawaii at Hilo College of Pharmacy Special Fund;
- (4) Specifying that the University of Hawaii Board of Regents, rather than the University of Hawaii System, must perform a program evaluation to consider whether the College of Pharmacy should be continued;
- (5) Providing that if the University of Hawaii Board of Regents finds, as a result of its program evaluation, that the University of Hawaii at Hilo College of Pharmacy meets the criteria for success and sustainability, then the terms and conditions of the pilot program must be adopted and implemented as the operational structure for the College of Pharmacy;
- (6) Deleting the appropriation;
- (7) Changing its effective date to July 1, 2014, and establishing a sunset date of June 30, 2019; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that funding for the construction of facilities for the University of Hawaii at Hilo College of Pharmacy has been appropriated in the Executive Budget bill, H.B. No. 1700, H.D. 1, S.D. 1, C.D. 1.

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. 1652, 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. 1652, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Ige, Espero, Kahele and Kidani.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Espero, Kidani).

Representatives Choy, Luke, Cullen, Ichiyama, Tsuji and Matsumoto.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, 1 (Tsuji).

**Conf. Com. Rep. 144-14 on H.B. No. 2434**

The purpose and intent of this measure is to specify uses for transient accommodations tax revenues.

Specifically, this measure:

- (1) Specifies that transient accommodations tax revenues allocated pursuant to section 237D-6.5(b)(4), Hawaii Revised Statutes, shall only be allocated and expended by agreement of the Board of Land and Natural Resources and the Hawaii Tourism Authority in accordance with the Hawaii Tourism Authority strategic plan; and
- (2) Allocates \$3,000,000 of transient accommodation tax revenue to the special land and development fund.

Your Committee on Conference finds that a historic opportunity exists to acquire a conservation easement on lands at Turtle Bay on Oahu that would preserve in perpetuity public access to pristine oceanfront land that represent one of the finest examples of our State's natural beauty. The easement can be acquired by using transient accommodations tax revenue made available by refinancing the Hawaii Convention Center debt and thereby reducing the annual appropriation to the convention center enterprise special fund necessary to service that debt.

Accordingly, your Committee on Conference has amended this measure by deleting the amendments proposed in the Senate Draft 2 and inserting provisions that require the refinancing of the convention center debt and using the savings to acquire the conservation easement and provide \$3,500,000 of additional revenue to the general fund.

More specifically, your Committee on Conference has amended this measure by deleting its contents and replacing it with language that:

- (1) Requires the Hawaii Tourism Authority to obtain an appraisal and perform due diligence on the proposed conservation easement and property rights;
- (2) Authorizes the Hawaii Tourism Authority to issue \$40,000,000 in revenue bonds and to use those proceeds to acquire a conservation easement for lands at Turtle Bay on Oahu;
- (3) Establishes the Turtle Bay conservation easement special fund;
- (4) Annually allocates transient accommodations tax revenues of \$3,000,000 to the Turtle Bay conservation easement special fund for the Hawaii Tourism Authority to fund the debt service on the revenue bonds;
- (5) Reduces the transient accommodations tax revenue allocation to the convention center enterprise special fund from \$33,000,000 to \$26,500,000;
- (6) Provides an additional \$3,500,000 in transient accommodations tax revenue to the general fund;
- (7) Requires the Hawaii Tourism Authority and the Department of Budget and Finance to restructure the convention center debt owed to the Department of Budget and Finance to accommodate an annual payment of not more than \$16,500,000;
- (8) Establishes that if the debt restructuring cannot be achieved in accordance with certain financial benchmarks, then no moneys shall be expended; and
- (9) Inserts a provision that declares that the provisions of the measure are not severable.

Your Committee on Conference notes that, upon the retirement of the debt incurred to acquire the conservation easement at Turtle Bay, the continued application of the financing mechanism established by this measure will result in an additional \$3,500,000 being deposited into the general fund.

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. 2434, 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. 2434, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

Senators Kahele, Solomon, Ige, Keith-Agaran and Slom.

Managers on the part of the Senate.

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

Representatives Brower, Luke, Evans and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 145-14 on H.B. No. 1671**

The purpose of this measure is to change the amount of transient accommodations tax revenues allocated to the counties from \$93,000,000 to an unspecified percentage of revenues collected.

Your Committee on Conference finds that the Legislature, in enacting Act 161, Session Laws of Hawaii 2013, established a cap of \$93,000,000 on the amount of transient accommodations tax revenues allocated to the counties. Your Committee on Conference believes that increasing the maximum amount of transient accommodations tax revenues allocated to the counties will allow the counties to better provide for public safety, parks, road maintenance, and visitor-related services.

However, your Committee on Conference believes that a study to determine the appropriate division of duties and responsibilities to provide public services should be conducted before permanently establishing the transient accommodations tax revenue allocations between the State and counties. In light of this belief, your Committee on Conference has amended this measure by:

- (1) Changing the amount of transient accommodations tax revenues to be allocated to the counties from an unspecified percentage to \$103,000,000 for fiscal year 2014-2015, \$103,000,000 for fiscal year 2015-2016, and \$93,000,000 for each fiscal year thereafter;
- (2) Establishing a working group to evaluate the division of duties and responsibilities between the State and counties relating to the provision of public services and recommend the appropriate amount of transient accommodations tax revenues to be allocated to the counties; and
- (3) Changing the effective date to July 1, 2014.

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. 1671, 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. 1671, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kahele, Espero, Ige, Galuteria and Kidani.

Managers on the part of the Senate.

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

Representatives Brower, Luke, Cachola and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 146-14 on H.B. No. 1692**

The purpose and intent of this measure is to adopt the recommendations made by the Auditor in Report No. 13-09 to improve the efficiency, transparency, and accountability of the Hawaii Tourism Authority.

Specifically, this measure:

- (1) Requires the Authority's tourism marketing plan to be a single, comprehensive document;
- (2) Defines the "Hawaii brand" as the programs that collectively differentiate the Hawaii experience from other destinations;
- (3) Requires the Hawaii Tourism Authority to have a permanent, strong focus on Hawaii brand management, rather than marketing and promotion;
- (4) Authorizes the Hawaii Tourism Authority to withhold competitively sensitive information from public disclosure; and
- (5) Requires the Hawaii Tourism Authority to include its tourism marketing plan along with program and expenditure information in its annual report to the Legislature.

Your Committee on Conference has amended this measure by:

- (1) Removing the requirement that the Hawaii Tourism Authority include its tourism marketing plan in its annual report to the Legislature; and

(2) Changing the effective date to 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. 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 Kahele, Ige, Ihara, Keith-Agaran and Slom.

Managers on the part of the Senate.

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

Representatives Brower, Luke, Cachola and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 147-14 on H.B. No. 1638**

The conference draft of the Judiciary supplemental budget adjusts the Judiciary's appropriation for fiscal year 2014-2015 by adding \$2,568,954 in general funds. The Judiciary's request was to add \$4,785,804 in general funds.

Your Committee on Conference approves \$334,788 in general funds requested for judges' salary increases, as recommended by the Commission on Salaries and authorized by the 2013 Legislature.

Your Committee on Conference also approves \$26,906 in general funds to fund the additional salary amounts for the Administrative Director and Deputy Administrative Director of the Courts. Approval of this funding provides for salary compensation levels comparable to that of other state officials whose salaries have been systematically adjusted for pay increases and changes in the cost of living over the years.

Your Committee on Conference also approves \$281,314 in general funds to upgrade the recording equipment in fourteen courtrooms at the Ronald T.Y. Moon Judiciary Complex in Kapolei. Updating the current Jefferson Audio Visual System (JAVS) hardware and software is necessary to maintain operations throughout the complex and improve the quality of services for members of the public and Judiciary staff.

Your Committee on Conference also approves two special duty officers and \$147,600 in general funds for the Third Circuit. This position authorization will provide dedicated special duty police officers at both the Kona Family Court and Kona Circuit Court to address the ongoing sheriff staffing problems at the facilities.

Your Committee on Conference also approves \$300,000 in general funds to provide purchase of service funding for juvenile and adult client services. Purchase of service funds will aid in providing the treatment and program services necessary to reduce recidivism among juvenile and adult offenders.

Your Committee on Conference also approves \$94,900 in general funds to replace the Children's Justice Center interview recording equipment state-wide. The highest priority of the Center is to provide a familiar and neutral facility to interview child abuse victims and crime witnesses. Thus far, the Center has interviewed over twenty-five thousand child abuse victims, primarily victims of sexual abuse and sexual assault. It is imperative for the Center to have reliable equipment to record these types of interviews.

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. 1638, 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. 1638, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige and Slom.

Managers on the part of the Senate.

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

Representatives Rhoads, Luke, Nishimoto and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 148-14 on H.B. No. 1700**

**PART I. OVERVIEW**

Your Committee on Conference has approved an executive supplemental budget bill that reduces the appropriation amounts requested by the Administration. The Conference Draft appropriates \$159,239,203 in all funds, inclusive of \$65,709,287 in general funds, for fiscal year 2014-2015. The Conference Draft also reduces the appropriation of all funds for fiscal year 2013-2014 by \$92,507,527, the majority of which comprises general funds. The following table displays the results of your Committee on Conference's actions.

	Fiscal Year 2013-2014		Fiscal Year 2014-2015	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Supplemental Request (Including Governor's Messages)	(53,414,636)	(53,417,636)	273,612,110	200,154,616
Conference Draft Appropriation Adjustment	(39,092,891)	(38,814,391)	(114,372,907)	(134,445,329)
Net Change	(92,507,527)	(92,232,027)	159,239,203	65,709,287

Your Committee on Conference emphasizes that the total general fund *reduction* to the supplemental budget request in fiscal years 2013-2014 and 2014-2015 exceeds \$173 million.

In the interest of full disclosure, however, your Committee on Conference notes that a portion of the \$134.4 million general fund reduction in fiscal year 2014-2015 is derived from programs that your Committee intends to fund through separate bills. Reductions have been made from supplemental budget requests for the Hawaii Invasive Species Council, Kupuna Care, and other senior citizens programs. Appropriations for those programs are included in joint majority package bills (S.B. No. 2343/H.B. No. 1716 and S.B. No. 2346/H.B. No. 1713).

The net change of the Conference Draft results in an executive budget for fiscal biennium 2013-2015 of the following:

	Fiscal Year 2013-2014		Fiscal Year 2014-2015	
	All Funds	Gen. Funds	All Funds	Gen. Funds
2013 Exec. Budget Act 134	11,819,318,188	6,036,556,466	11,988,000,674	6,123,494,985
Net Change of Conference Draft	(92,507,527)	(92,232,027)	159,239,203	65,709,287
Total Appropriation	11,726,810,661	5,944,324,439	12,147,239,877	6,189,204,272

**PART II. STATE'S FISCAL SITUATION**

Your Committee on Conference finds that the expectations of state departments and other parties requesting funds from the Legislature are unrealistic in light of the State's fiscal situation. Fiscal year 2012-2013 ended with a carryover balance of \$844,000,000. This was a cumulative result of four years of austere budgets, revenue changes, furloughs, and layoffs. Sacrifices were made by everyone -- families, businesses, and government. The ending balance for fiscal year 2012-2013 was already being used to fund expenses such as collective bargaining and other fixed cost increases before deliberations began on the supplemental budget in December 2013.

On March 11, 2014, the Council on Revenues reduced revenue projections for the current and next fiscal bienniums. The following table displays the differences between the Council's tax revenue and Department of Budget and Finance's non-tax revenue projections of March 11, 2014, and January 7, 2014, and the cumulative impact of the reduced revenue projections.

COUNCIL ON REVENUES' TAX REVENUES & DEPARTMENT OF BUDGET AND FINANCE'S NON-TAX REVENUES (03/11/14)							
	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
COR & B&F 03/11/14	6,233.0	6,133.5	6,360.0	6,643.6	7,009.3	7,409.3	7,784.6
COR & B&F 01/07/14	6,233.0	6,323.0	6,662.3	7,128.5	7,512.0	7,939.2	8,349.2
DIFFERENCE	0.0	(189.5)	(302.3)	(484.9)	(502.7)	(529.9)	(564.6)
<b>CUMULATIVE IMPACT (Sum of the Differences of Previous Years)</b>	NA	(189.5)	(491.8)	(976.7)	(1,479.4)	(2,009.3)	(2,573.9)

When compared against the Council on Revenues' January 7, 2014, projection, the table indicates that general fund revenues now available for state budgets are \$189,500,000 less in fiscal year 2013-2014 and \$491,800,000 less in fiscal year 2014-2015.

Despite these fiscal challenges, as stewards of the taxpayers' money, your Committee on Conference has an obligation to spend wisely on today's needs while ensuring that there are sufficient funds to address future challenges. Your Committee on Conference commits to the following:

- (1) Maintaining contributions to pay the other post-employment benefits unfunded liability according to the schedule set forth in Act 268, Session Laws of Hawaii 2013; and
- (2) Supporting budget reserves of at least \$200,000,000 by the end of fiscal year 2013-2014, growing to over \$270,000,000 by the end of fiscal year 2014-2015.

Your Committee on Conference recognizes that the current unprecedented budget surplus was the result of a collective effort. As a result, the State finds itself in a unique position to:

- (1) Continue the work done a year ago in the biennium budget to provide stability to the State's overall financial outlook;

- (2) Strengthen core programs;
- (3) Increase transparency in how taxpayer money is spent; and
- (4) Strategically plan for the long term through the supplemental budget.

Your Committee on Conference has approved this bill with general fund appropriations of much less than those requested in the Administration's initial proposal. Your Committee on Conference has done so after reviewing the different priorities of the Senate and House, the departments, and the community. Your Committee on Conference is satisfied that the programs and projects funded in this bill are all deserving of legislative support. In sum, your Committee on Conference finds that this bill represents a balance among the needs of the beneficiaries of state government, the availability of projected future revenues, and the preservation of adequate reserves.

Your Committee on Conference notes that, due to the projected reduction of the general fund tax revenue growth rates, the State's financial plan will show negative revenues over expenditures annually at least through fiscal year 2016-2017. The State will avoid violating the constitutional requirement for a balanced operating budget, however, by drawing down carefully on the \$844,000,000 ending balance.

### PART III. OPERATING BUDGET

#### Accounting and General Services

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$1,260,229 in general funds and adding \$731,357 in non-general funds. The Administration's supplemental budget request was to add \$9,974,039 in general funds and \$652,384 in non-general funds.

Your Committee on Conference approves one position and \$87,071 in general funds for school repair and maintenance on the neighbor islands. The position will be stationed in West Hawaii to manage and maintain service level agreement performance requirements. Remaining funds will provide for two existing positions for plumbing work orders and to reduce the backlog of repairs and projects at school facilities.

Your Committee on Conference also approves \$366,846 in general funds for utilities to cover projected shortfalls at the Hawaii and Maui Central Services District Offices. Recurring increases in electricity, sewer, and water rates have caused the cost of utilities to outpace custodial budgets. This appropriation provides the necessary funding to meet escalating utility costs and prevent operational deficiencies that could impact the health and safety of the public and staff.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$378,973 in special funds for salaries in Information Management and Technology Services (AGS130/EG);
- (2) Adding \$200,000 in federal funds for Statewide Voter Registration System (AGS879/OA); and
- (3) Adding one position and \$92,400 in special funds for State Archives Preservation (AGS111/DA).

#### Agriculture

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$25,000 in general funds and for fiscal year 2014-2015 by adding \$346,309 in general funds and \$1,456,608 in non-general funds. The Administration's supplemental budget request was to add \$4,163,080 in general funds and \$1,219,940 in non-general funds for 2014-2015.

Your Committee on Conference approves four positions and \$96,309 in general funds to address concerns on pesticide use. Three positions will conduct pesticide inspections, maintain pesticide surveillance activities, and provide pesticide education services to help communities understand the requirements of pesticides regulations. One position will assist in the preparation of enforcement actions to ensure compliance with laws governing the use of pesticides. To further supplement the pesticide regulatory capability, your Committee on Conference approves \$400,000 in revolving funds for operating and maintenance costs in the Pesticides Branch.

Your Committee on Conference also approves \$250,000 in general funds for vacation payouts to promote "truth in budgeting." The funds may be used only to pay the accumulated vacation compensation owed to employees leaving the Department of Agriculture. This is intended to obviate the need for the department to keep positions vacant for a certain period in order to use the savings for vacation payouts.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$410,000 in interdepartmental transfer funds for positions formerly paid with Department of Transportation special funds in Animal Disease Control (AGR132/DC);
- (2) Adding \$265,000 in revolving funds for vehicles and equipment for Molokai Irrigation System in Agricultural Resource Management (AGR141/HA); and
- (3) Adding \$420,000 in revolving funds for payroll shortfall and expenditures for new land, infrastructure, and facilities in Agribusiness Development and Research (AGR161/KA).

#### Attorney General

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$940,982 in general funds and \$1,011,216 in non-general funds. The Administration's supplemental budget request was to add \$5,330,019 in general funds and \$2,126,113 in non-general funds.



Your Committee on Conference approves six positions and \$452,330 in interdepartmental transfer funds for the Tax Team for the Delinquent Tax Collection Project. The Tax Team of two deputy attorneys general and four legal assistants will enforce established and recorded tax liens and work on other tax recovery cases.

Your Committee on Conference also approves two positions, \$365,296 in special funds, and \$35,000 in general funds to regulate charitable societies and to relocate the Charities Unit of the Tax and Charities Division. The addition of one deputy attorney general and one legal assistant will provide oversight for over two thousand eight hundred registered charitable organizations. The relocation of the Unit will accommodate the Unit's growth as the number of registered charitable organizations increases.

Your Committee on Conference also approves two positions and \$216,870 in interdepartmental transfer funds to establish deputy attorney general positions that will serve the Department of Education and the Office of Information Management Technology.

Your Committee on Conference also approves one position and \$31,568 in general funds for the Internet Crimes Against Children (ICAC) Task Force. The ICAC Task Force investigates and prosecutes internet crimes that target children and increases public awareness of the dangers of online predators.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$280,000 in general funds for vacation payouts to promote "truth in budgeting" (ATG100). See the discussion of the concept under the "Agriculture" section;
- (2) Adding \$800,000 in other federal funds for anticipated federal awards in State Criminal Justice Information and Identification (ATG231/BC); and
- (3) Adding \$200,000 in general funds for the Automated Fingerprint Identification System (AFIS) upgrade and lease financing in State Criminal Justice Information and Identification (ATG231/BA).

#### Budget and Finance

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$64,617,636 in general funds and adding \$3,000 in non-general funds and for fiscal year 2014-2015 by reducing \$30,807,969 in general funds and adding \$1,158,894 in non-general funds. The Administration's supplemental budget request was to reduce \$53,417,636 in general funds and add \$3,000 in non-general funds for fiscal year 2013-2014 and reduce \$25,586,719 in general funds and add \$1,246,619 in non-general funds for fiscal year 2014-2015.

Your Committee on Conference approves \$15,185,356 in general funds for fiscal year 2013-2014 and \$15,292,859 in general funds for fiscal year 2014-2015 for pension accumulation and Social Security/Medicare payments. These appropriations provide for mandatory retirement contributions for individuals employed by the State, the Department of Education, and the University of Hawaii.

Your Committee on Conference also approves \$5,476,009 in general funds for fiscal year 2014-2015 for health premium payments for active employees, as proposed in Governor's Messages submitted to the Legislature after the convening of the 2014 Regular Session.

Your Committee on Conference also approves \$64,806 in general funds for charter school collective bargaining supplemental agreements. The department did not provide this amount to charter schools because of a calculation error. Although this amount was requested under EDN600, your Committee on Conference has more appropriately placed the appropriation under BUF101.

Your Committee on Conference also approves two positions and \$81,420 in general funds for the Office of the Public Defender. The two additional positions will support the Public Defenders in specialty, District, Family, and Circuit Courts.

#### Business, Economic Development, and Tourism

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$715,665 in general funds and \$58,453,098 in non-general funds. The Administration's supplemental budget request was to add \$15,774,353 in general funds and \$64,574,288 in non-general funds.

Your Committee on Conference approves \$500,000 in special funds for new energy technologies to support clean energy goals pursuant to section 269-92, Hawaii Revised Statutes. These funds will leverage federal and private resources for use as investment capital for companies within the Energy Excelsior, through a non-profit organization.

Your Committee on Conference also approves \$50,000,000 in special funds from Green Energy Market Securitization (GEMS) bond proceeds for the purposes of the Hawaii Green Infrastructure Loan Program, in accordance with section 196-65, Hawaii Revised Statutes. This increases the amount of GEMS bond proceeds available for deployment as green infrastructure loans to a total of \$150,000,000 in fiscal year 2014-2015. Utilization of the proceeds will expand the loan program to make green infrastructure installations accessible and affordable to more of Hawaii's underserved ratepayers, achieve measurable cost savings, and further Hawaii's clean energy goals.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$250,000 in general funds for the Beijing and Taipei state offices in Strategic Marketing and Support (BED100/SM);
- (2) Adding \$100,000 in general funds for the creative lab accelerator program in Creative Industries (BED105/CI);
- (3) Adding \$475,000 in special funds for subject matter expertise for advancement of renewable energy projects in Environment and Energy Development (BED120/SI); and
- (4) Adding \$250,000 in special funds for subject matter expertise and technical services for Public Utilities Commission docket activities and stakeholder support in Environment and Energy Development (BED120/SI).

Commerce and Consumer Affairs

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$3,829,348 in non-general funds. The Administration's supplemental budget request was to add \$95,045 in general funds and \$3,644,670 in non-general funds.

Your Committee on Conference approves \$700,000 in special funds for consultants to handle new and complex issues affecting renewable energy initiatives. The consultants will offer additional analysis intended to expedite and facilitate actions critical to Hawaii's utility regulatory efforts.

Your Committee on Conference also approves six positions and \$481,124 in special funds for oversight of health plans for the Hawaii Health Connector. Three positions will assist with reviewing premium rates, and three positions will assist with reviewing the qualifications of health plans for the Hawaii Health Connector.

Your Committee on Conference also approves \$175,000 in special funds to migrate the department's e-mail system from a server-based Lotus Notes platform to a cloud-based Microsoft system. This switch is intended to standardize systems among all departments and agencies.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding two positions and \$263,796 in special funds for the Hawaii Post-Secondary Education Authorization Program (CCA107/1A);
- (2) Adding \$110,000 in trust funds to cover claims and other expenses from the mortgage loan recovery fund in the Division of Financial Institutions (CCA104/BA); and
- (3) Adding \$2,000,000 in trust funds for transfer to the Department of Labor and Industrial Relations for a capital improvement program grant awarded in 2013 to the Hawaii Public Television Foundation (CCA102/FA).

Defense

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$2,535,641 in general funds and \$2,477,549 in non-general funds. The Administration's supplemental budget request was to add \$1,884,484 in general funds and \$2,541,356 in non-general funds.

Your Committee on Conference approves \$629,295 in general funds and \$967,083 in federal funds for electricity in the Kalaheo area to cover a projected shortfall. The funds will alleviate increasing electricity costs at Hawaii Army National Guard facilities.

In anticipation of increased real estate and maintenance costs, including costs for grounds, refuse, custodial contracts, and supplies, your Committee on Conference also approves \$602,346 in general funds and \$1,807,041 in federal funds for utilities and custodial services at the three new buildings on the Hawaii Air National Guard campus.

Your Committee on Conference also approves two positions and \$227,200 in federal funds for the Homeland Security Office to coordinate security planning and preparedness activities with all agencies. The positions will oversee the monitoring of threats, evaluation of response exercises, and the administration of planning and preparedness grants.

Your Committee on Conference also approves \$104,000 in general funds for equipment at the Keaukaha Military Reservation Building. Since the building is scheduled for occupancy in May 2014, the furnishings will provide essential safety features and a nurturing environment for the attending cadets of the Youth Challenge Academy.

Your Committee on Conference also approves \$1,000,000 in general funds for mitigation of hazardous situations pursuant to section 128-10.3, Hawaii Revised Statutes. The funds are intended to eliminate or mitigate the threat that hazardous natural conditions pose to residents, such as unstable or overgrown trees.

Education

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$127,576 in general funds and for fiscal year 2014-2015 by adding \$41,534,247 in general funds and \$2,004,550 in non-general funds. The Administration's supplemental budget request was to add \$42,271,421 in general funds and \$1,888,850 in non-general funds for fiscal year 2014-2015.

Regular Education

Your Committee on Conference approves \$15,000,000 in general funds for the Weighted Student Formula (WSF) in School-Based Budgeting. These funds go directly to schools to provide resources for students. Your Committee reiterates its intent that all funds appropriated for the WSF be expended at the discretion of principals and that the use of the funds shall not be directed by the central office, district, or complex.

Your Committee on Conference also approves \$9,000,000 in general funds to account for a projected shortfall in the department's utilities budget. This funding will pay for utility shortfalls that resulted from overly optimistic energy savings assumptions for fiscal year 2014-2015 under the department's proposed Energy Efficiency and Sustainability Master Plan. Pilot installations of photovoltaic systems at a number of schools were delayed due to interconnection circuit problems that prevented Hawaiian Electric from issuing net energy metering agreements.

Your Committee on Conference also approves \$3,664,694 in general funds to provide special education services to qualifying students up to age twenty-two. On August 28, 2013, the federal Ninth Circuit Court of Appeals ruled that the Individuals with Disabilities Education Act (IDEA) prohibited the State of Hawaii from restricting special education services eligibility to qualifying individuals up to age twenty. This funding will be used to provide a free appropriate public education for eligible students with special needs in compliance with the court ruling.

Your Committee on Conference also approves twenty-one temporary positions and \$1,925,472 in general funds to implement the Strive-HI performance system. Strive-HI is the foundation of Hawaii's Elementary and Secondary Education Act (ESEA) Waiver, which replaces the No Child Left Behind Act (NCLB). The funds and positions appropriated will be used to form Complex Area Support Teams (CAST) that serve schools designated as "Focus" and "Priority" under the new Strive-HI classification. Focus and Priority schools are those that struggle to meet the educational standards outlined in the State's ESEA Waiver.

Your Committee on Conference also approves \$2,000,000 in general funds for the restoration of school athletics programs. State funding for athletic programs has been significantly reduced from fiscal year 2008-2009 when \$13,337,483 was allocated for student sports. Currently, fiscal year 2014-2015 allocates \$9,193,798 for athletic programs. Reductions in athletic program funding have created additional challenges for neighbor island schools as athletes must travel to compete. Funding cuts have forced athletic teams to maintain smaller rosters, attend fewer events, and use worn equipment. It has also led to a loss of forty department-wide athletics staff positions. This appropriation will help restore funding to historically budgeted levels.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$600,000 in general funds for the Educator Evaluation System to measure teacher effectiveness (EDN200/GD);
- (2) Adding \$256,000 in general funds for statewide teacher induction and mentoring (EDN300/KO);
- (3) Adding \$579,208 in general funds for the Professional Development Management System (PDE3) annual subscription in the State Administration (EDN300/KO); and
- (4) Adding \$200,000 in general funds for Alternate Teacher Route Contracts, including Teach for America (EDN300/KD).

#### *Public Libraries*

Your Committee on Conference approves \$600,000 in general funds to support operational expenses for fiber optic connectivity at all public libraries. Through Broadband Technology Opportunities Program (BTOP) grants, the Hawaii State Public Library System has installed a high speed broadband connectivity network that provides public access computing to users statewide. This appropriation will allow the Library System to purchase necessary computer equipment to complete the BTOP initiative and will fund the necessary telecommunication expenses.

Your Committee on Conference also approves \$685,000 in general funds for increased electricity costs at all Hawaii State Public Libraries. Over the last six years, rate increases have caused a shortfall in the electricity budget that the Public Library System will no longer be able to accommodate with its current operating budget.

#### *Charter Schools*

Your Committee on Conference approves three positions, \$2,004,550 in federal funds, and \$62,000 in general funds for the Public Charter Schools' federal program support staff and federal grants. Most of the federal funds received by the State Public Charter School Commission will be transferred directly to the schools.

Your Committee on Conference also approves \$800,000 in general funds for the State Public Charter School Commission's operating and administrative costs. This additional appropriation is on top of the per pupil allocation and will allow schools to retain more resources for students during fiscal year 2014-2015. To supplement the allocation, a proviso allows the Commission to transfer, if necessary, up to \$560,000 from the per pupil allocation to pay for its operating and administrative costs.

Your Committee on Conference also approves \$134,802 in general funds for per pupil funding for charter school students, which is scaled to match allocations provided to the Department of Education for non-charter public school students. This amount was calculated using general fund amounts appropriated by the Conference Draft for EDN100, EDN200, EDN300, and EDN400 for fiscal year 2014-2015 and projected student enrollment for the Department of Education and charter schools. The Commission provided an updated projected enrollment of 10,922 students for the 2014-2015 school year, which is a decrease from the 11,350 student projection that provided the basis for the supplemental budget request. Based on these figures, the Conference Draft provides an average general fund amount for each charter school and regular education student of \$6,263. This increases the average general fund amount for each student for the 2014-2015 school year from the amount of \$6,046 that was calculated during the prior Regular Session.

#### *Early Learning*

The Conference Draft approves \$3,000,000 in general funds for a school readiness program under EDN700 (Early Learning) by establishing twenty-one pre-kindergarten classrooms on Department of Education campuses. This appropriation is intended to allow an estimated four hundred twenty children to attend pre-kindergarten classes in a statewide pilot partnership between the Department of Education and the Executive Office on Early Learning.

#### Hawaiian Home Lands

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by reducing \$146,259,466 in non-general funds. The Administration's supplemental budget request was to add \$5,387,204 in general funds and reduce \$160,976,957 in non-general funds.

Your Committee on Conference finds it prudent to wait for the outcome of pending court proceedings to determine what constitutes "sufficient sums" for the department's administrative and operating expenses. Accordingly, the Legislature has appropriated \$9,632,000 in general funds annually for the 2013-2015 fiscal biennium. As such, the findings on pages 19 and 20 in Conference Committee Report No. 105 for H.B. No. 200, H.D. 1, S.D. 1, C.D. 1, 2013 (enacted as Act 134, Session Laws of Hawaii 2013) are hereby incorporated by reference.

Your Committee on Conference notes that it has approved the reduction of \$146.2 million of the trust fund appropriation for the Department of Hawaiian Home Lands for fiscal year 2014-2015, but denied the reduction of another \$10.8 million for salaries, fringe

benefits, and other current expenses. In essence, your Committee on Conference provides in the Conference Draft a net trust fund appropriation for fiscal year 2014-2015 of \$10.8 million for 81.00 positions and their associated current expenses. Your Committee on Conference does not intend that the \$10.8 million net trust fund appropriation be construed as a ceiling that prohibits the department from expending trust funds above that amount for programs and projects to fulfill its duties. Your Committee on Conference finds that the department has the authority to expend trust funds at its discretion. Your Committee on Conference does not intend to intrude into that authority, but has maintained the appropriation of trust funds for personnel in order to display legislative intent regarding the funding of the department's personnel and other current expenses.

#### Health

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$100,000 in general funds and for fiscal year 2014-2015 by adding \$2,760,296 in general funds and reducing \$2,153,227 in non-general funds. The Administration's supplemental budget request was to add \$32,549,582 in general funds and reduce \$2,439,857 in non-general funds for fiscal year 2014-2015.

Your Committee on Conference approves \$1,183,384 in general funds for the home- and community-based services waiver program administered by the department's Developmental Disabilities Division. This funding is to address a deficit caused by fiscal year 2011-2012 program review reductions and adjust for projected growth rates and increased service requirements mandated under the Makin Settlement Agreement.

Your Committee on Conference also approves \$1,232,495 in general funds for Early Intervention Section purchase of services contracts. The state Early Intervention Section (EIS) is a federal and state mandated program that provides services to support the development of infants and toddlers from birth to three years of age. As a result of prior year reductions-in-force, the EIS program increased purchase of service (POS) contract expenditures to maintain services impacted by the loss of staff. This has caused recurring deficits in the program's POS funding since fiscal year 2011-2012. The Conference Draft addresses a projected shortfall in fiscal year 2014-2015 and prevents an unlawful diminution of services that may result from insufficient funding.

Your Committee on Conference also approves \$750,000 in general funds for statewide health information exchange infrastructure advancement. This funding will be used to support health information technology priorities, including the department's Hawaii health emergency syndromic surveillance system and the Hawaii health information exchange fiscal year 2014-2015 operations.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$354,504 in general funds for the State's share of intermediate care facilities in Developmental Disabilities State Match for Title XIX Programs (HTH501/CN); and
- (2) Adding \$797,000 in other federal funds for upgrades to the Hawaii criminal background check system in Health Care Assurance (HTH720/MP).

To support community-based programs designed to provide services for all elder persons in the State, your Committee on Conference supports appropriations through joint majority package bills, S.B. No. 2346/H.B. No. 1713, that include additional funds for kupuna care and other programs.

#### *Hawaii Health Systems Corporation*

Your Committee on Conference approves \$5,000,000 in general funds for fiscal year 2014-2015 for the Hawaii Health Systems Corporation (HHSC). The appropriation is intended to mitigate HHSC's operating budget shortfall caused by federal sequestration and reimbursement reductions, collective bargaining costs, and other factors. Your Committee on Conference notes that it intends to provide HHSC with an additional \$15,000,000 in general funds through S.B. No. 2866, as an emergency appropriation for fiscal year 2013-2014.

Your Committee on Conference also approves \$2,000,000 in general funds to continue the HHSC residency program in fiscal year 2014-2015. Administered by Hilo Medical Center, the primary care training program will help increase the number of physicians available within the State. This funding is intended to address the significant shortage of primary care providers at Hawaii hospitals.

#### Human Services

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$6,386,815 in general funds and for fiscal year 2014-2015 by adding \$16,012,818 in general funds and \$76,682,907 in non-general funds. The Administration's supplemental budget request was to add \$42,205,825 in general funds and \$81,339,887 in non-general funds for fiscal year 2014-2015.

Your Committee on Conference approves \$1,500,000 in general funds to continue the homeless program's Housing First initiative in fiscal year 2014-2015. These funds will be used in conjunction with the Substance Abuse Mental Health Services Administration grant to allow a greater percentage of program resources to go to direct housing costs. This will provide funding for the third year of the Housing First initiative and is expected to afford transitional housing support and stability services to chronic homeless individuals throughout the State.

Your Committee on Conference also approves \$5,546,076 in general funds and \$2,956,860 in federal funds to adjust monthly foster board rates to the three-tier aged-based system and funding levels cited in the United States Department of Agriculture's report, *Expenditure on Children by Families*. The report finds that the monthly cost of raising a child in the urban Western region averages \$576 for children aged 0-5; \$650 for children aged 6-11; and \$676 for youth aged 12-21. Hawaii's monthly foster care board rate is currently \$529.

Your Committee on Conference also approves \$500,000 in general funds for the Resources for Enrichment, Athletics, Culture, and Health Initiative (REACH). This funding will continue the REACH pilot project to provide a framework for intermediate school after-school programs that do not receive federal funding through the Uniting Peer Learning, Integrating New Knowledge program.

Your Committee on Conference also approves the transfer of four positions and \$9,191,840 in general funds from the Department of Health's Adult Mental Health Division to the Department of Human Services' MedQuest Division, to consolidate payments and services for adults with severe and persistent mental illness (SMI) who are Medicaid eligible. The consolidation of the payments and provision of these services under MedQuest draws an additional \$2,015,055 in federal matching funds. This will provide more resources to broaden and improve Medicaid-eligible SMI services. Further, administration under a single agency facilitates service continuity and simplifies access to service providers and case management for eligible beneficiaries.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$273,752 in general funds for utility rate increases at Kalaeloa shelters in Homeless Programs (HMS224/HS);
- (2) Adding \$147,147 in general funds for the adult protective services best practices model in Adult and Community Care Services (HMS601/TA);
- (3) Adding \$260,000 in general funds and \$260,000 in federal funds for an Asset Verification System for aged, blind, and disabled services in General Support for Health Care Payments (HMS902/IA);
- (4) Adding \$500,000 in general funds for social security advocacy services in General Support for Self-Sufficiency Services (HMS903/FA); and
- (5) Adding \$300,000 in federal funds for outreach services to families and individuals who may qualify for benefits under the Supplemental Nutrition Assistance Program in General Support for Self-Sufficiency Services (HMS903/FA).

#### Labor and Industrial Relations

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$1,947,838 in general funds and reducing \$33,504,565 in non-general funds. The Administration's supplemental budget request was to add \$896,963 in general funds and reduce \$33,522,368 in non-general funds.

Your Committee on Conference approves two positions, \$22,065 in general funds, and \$31,341 in federal funds for the Hawaii Occupational Safety and Health program (HIOSH) to mitigate persistent staffing challenges associated with maintaining staff levels and inspection quotas of federally required benchmarks. Minimal staffing and elevated attrition rates create a constant risk for HIOSH to fall below benchmarks in the event of a vacancy. These two positions will provide the staffing and operational capacity required for HIOSH to remain in compliance with federal requirements and regain the desirable 18(e) status of the Occupational Safety and Health Act of 1970, to retain the program under state purview.

Your Committee on Conference also approves \$200,000 in general funds for vacation payouts to promote "truth-in-budgeting." See the discussion of this concept under the "Agriculture" section.

#### Land and Natural Resources

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$2,761,983 in general funds and \$15,335,697 in non-general funds. The Administration's supplemental budget request was to add \$13,688,226 in general funds and \$12,337,261 in non-general funds.

Your Committee on Conference approves \$4,000,000 in general funds and special funds for the State's 2016 bid to host the International Union for Conservation of Nature Congress (IUCN). This is an international convention regarding sustainable resource management, climate change, and nature conservation. If awarded the bid, Honolulu will be the first city in the United States to host the IUCN.

Your Committee on Conference also approves twelve temporary positions and \$800,000 in general funds for the Community Fisheries Program. The funds will support the Maui program and expand the program to Hawaii, Kauai, and Oahu. The program has shown results in reducing ocean-related violations on Maui as well as expanding community educational outreach.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$1,300,000 in special funds for information management system redesign and upgrade in Public Land Management (LNR101);
- (2) Adding \$500,000 in special funds for Kauai fire mitigation and reforestation in Forestry Resources Management and Development (LNR172/DA);
- (3) Adding \$577,000 in general funds for personal services, current operating expenses, and equipment in Conservation and Resource Enforcement (LNR405);
- (4) Adding \$1,000,000 in the special funds for Natural Resource Management Protection (LNR407/NA); and
- (5) Adding \$700,000 in special funds for park projects in Parks Administration (LNR806/FI).

The Conference Draft does not include \$1,000,000 in general funds for the Hawaii Invasive Species Council. Your Committee on Conference prefers to appropriate additional funds for the Council through a separate joint majority package bill, S.B. No. 2343/H.B. No. 1716.

#### Public Safety

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$20,500,000 in general funds and for fiscal year 2014-2015 by reducing \$195,590 in general funds and adding \$127,116 in

non-general funds. The Administration's supplemental budget request for fiscal year 2014-2015 was to add \$4,099,594 in general funds and \$527,116 in non-general funds.

Your Committee on Conference approves twenty positions and \$786,718 in general funds for mental health care in correctional centers. The State was previously subject to a federal Department of Justice settlement dictating the necessary level of mental health care to be provided at Oahu Community Correctional Center. These positions will bring the remainder of the State's correctional facilities up to national standards for mental health treatment and reduce the State's liability in providing a minimum level of care.

Your Committee on Conference also approves sixteen positions and \$415,888 in general funds for suicide and hospital watch at two correctional facilities on Oahu. These positions will provide dedicated adult corrections officers to reduce suicides and provide proper security for inmate hospital visits. Dedicated hospital and suicide watch officers will significantly reduce overtime expenses incurred by the department.

Your Committee on Conference also approves \$2,000,000 in general funds for the Justice Reinvestment Initiative and other program costs in General Administration.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$270,000 in general funds for security camera surveillance systems at Oahu, Kauai, and Halawa Community Correctional Centers;
- (2) Adding \$125,000 in general funds for central building emergency exit doors in Maui Community Correctional Center (PSD406/EH);
- (3) Adding \$148,500 in general funds for replacement body armor in Sheriff's Division (PSD503/CC); and
- (4) Adding \$200,000 in special funds for the Statewide Automated Victims Information and Notification System in General Administration (PSD900/EA).

#### Taxation

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$475,000 in general funds and for fiscal year 2014-2015 by adding \$787,826 in general funds. The Administration's supplemental budget request was to add \$1,107,028 in general funds for fiscal year 2014-2015.

Your Committee on Conference approves \$223,656 in general funds for fourteen positions in various tax compliance offices across the State. Half a year of funding for these positions is currently appropriated. This amount will provide for a full year of salary funding for the positions.

Your Committee on Conference also approves \$440,000 in general funds to pay for the costs incurred by the Attorney General's Collection Section on behalf of the department. Under the Memorandum of Understanding with the Attorney General dated May 23, 2013, the department is obligated to pay for the additional costs in order to pursue collection litigation.

Your Committee on Conference also approves \$36,546 in general funds for two Delinquent Tax Collection Assistants, one for the Hawaii District Office and the other for the Kauai District Office. These positions will improve the ability of the offices to handle workloads and increase revenue collection goals.

#### Transportation

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$28,424,984 in non-general funds. The Administration's supplemental budget request was to add \$27,660,892 in non-general funds.

#### *Airports*

Your Committee on Conference approves \$6,000,000 in special funds for routine maintenance of the baggage handling and explosives detection system at the Honolulu International Airport and Kahului Airport. The system is required by the Transportation Security Administration (TSA). Improvements will include distribution of electrical power to the lobbies and existing outbound baggage conveyor system and additional system controls to allow TSA to automatically operate and monitor the bags from the on-screen resolution room.

Your Committee on Conference also approves \$4,000,000 in special funds for pavement-marking rehabilitation at eight airports. Maintaining the pavement markings is a requirement of the Federal Aviation Administration. The funds will provide human resources and equipment to address areas of failure.

Your Committee on Conference also approves \$7,359,000 in special funds to purchase additional Wiki Wiki buses to accommodate international passengers waiting to be transported to the United States Customs and Border Protection at Honolulu International Airport.

#### *Harbors*

Your Committee on Conference approves \$1,500,000 in special funds for Honolulu Harbor and Kalaeloa Harbor to expand the storm drain cleaning and pollution control program on Oahu and another \$1,300,000 in special funds for other expenses that may be incurred under the federal Clean Water Act.

Your Committee on Conference also approves six positions and \$958,028 in special funds in Harbors Administration to assist with existing clean water regulations. One position in the environmental section will coordinate the Storm Water Management program and ensure compliance with small municipal separate storm water permitting. Two positions in property management will manage statewide commercial harbors systems transactions and inventories. Three positions in the short-range planning unit will assist with

Geographic Information System (GIS) development, environmental review compliance of capital improvement program projects, and review of legislation. In addition to providing funding for the aforementioned positions, funding is provided for a geographic information system for the harbors division.

#### *Highways*

Your Committee on Conference approves \$1,000,000 in special funds to repair all restroom facilities in Aliiimoku Hale. Restrooms at the facility are over fifty years old, and remediation of unsanitary conditions is necessary to ensure the health and safety of occupants.

Your Committee on Conference also approves \$3,300,000 in special funds to implement the Highways Division FAST Accounting System. Through a contract with Ciber, the completion of the new system will address significant limitations in the present accounting system.

Your Committee on Conference also approves \$3,000,000 in special funds to establish a national pollutant discharge elimination system and municipal separate storm water system permit for Maui District. Identified as an urbanized area since May 2013, Kahului, Maui, is under the purview of the Clean Water Act, which mandates a storm water management plan to minimize pollutant discharge.

#### University of Hawaii

The Conference Draft of the executive supplemental budget adjusts the University's appropriation for fiscal year 2014-2015 by adding \$24,855,000 in general funds and \$83,270,000 in non-general funds. The Administration's supplemental budget request was to add \$37,526,775 in general funds and \$70,143,000 in non-general funds.

Your Committee on Conference approves \$14,000,000 in special funds and \$19,500,000 in general funds associated with collective bargaining costs of the University of Hawaii Professional Assembly. Additional general fund support will significantly relieve the University's reliance on tuition dollars and will help to ward off future tuition increases for university students.

Your Committee on Conference approves eighty-nine positions and \$4,000,000 in general funds for the University of Hawaii-West Oahu campus to support continued enrollment growth. The campus provides access to the underserved populations in the Leeward, North Shore, and Central Oahu areas and Native Hawaiian communities. The campus has not received the general fund support it needs to operate effectively. The positions and funds are critical for the University to ensure that its students, faculty, and staff have the necessary academic, student services, and facilities support for a quality four-year baccalaureate education.

Your Committee on Conference also approves \$1,000,000 in general funds for outcome-based funding for the Community Colleges. The funding is intended to be distributed to community college campuses that meet certain metrics and incentivize the campuses to improve.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$45,970,000 in special funds and \$9,200,000 in revolving funds for various programs in University of Hawaii, Manoa (UOH100/AA);
- (2) Adding \$9,350,000 in special funds for various programs in University of Hawaii, John A. Burns School of Medicine (UOH110/PP);
- (3) Adding \$2,000,000 in special funds for various programs in University of Hawaii, Hilo (UOH210/MM); and
- (4) Adding fifty positions funded by general funds for the University of Hawaii, Community Colleges (UOH800).

#### **PART IV. CAPITAL IMPROVEMENTS PROGRAM BUDGET**

Your Committee on Conference finds that the State's economic situation is not what was anticipated and revenues have not increased as projected. In the first year of the 2013-2015 fiscal biennium, the focus was on infusing funds into the economy to create jobs and rebuild our aging infrastructure. However the importance of supporting capital improvement projects that will help diversify our economy has never been greater, along with the need for streamlining government operations and allocating financial resources in a manner more reflective of the current economic landscape.

Due to the current drop in projected revenues, as well as previous strategic investments in capital improvement program projects, your Committee on Conference took a more studied approach to the capital improvement program appropriations. Accordingly, your Committee on Conference, after carefully considering the current economy along with the proposals, needs, and priorities of the Administration and the departments, has provided a total of \$955,256,000 for fiscal year 2013-2014 and \$1,372,592,000 for fiscal year 2014-2015 for projects funded by general obligation bonds and \$5,094,070,000 in fiscal biennium 2013-2015 for projects funded by all means of financing. It should be noted that the appropriations for fiscal year 2014-2015 include a lapse and reauthorization of \$399,000,000 of general obligation bonds to recapitalize the state educational facilities improvement fund, as requested by the Administration.

While developing the capital improvement program budget, your Committee on Conference recognized the need to address the repair and maintenance and health and safety project backlogs that continue to plague the State's agencies and departments. Your Committee on Conference believes that this capital improvement program budget addresses the most basic necessities of many state facilities while remaining cautiously optimistic about the future growth and technological advancement of state operations.

Highlights of the capital improvement program budget for the biennium includes \$698,241,000 in total biennium appropriations for the Department of Education to address school improvements, upgrades, and renovations. Over \$110,000,000 was appropriated to the Hawaii Health Systems Corporation for critical repairs and upgrades for the state hospital system, as well as \$11,500,000 to protect our vital watershed areas.

Your Committee on Conference has approved \$389,994,000 to help the University of Hawaii address the needs of campus facilities and programs statewide. Of those funds, \$157,000,000 has been designated for capital renewal and deferred maintenance and health and safety projects for facilities statewide. Furthermore, your Committee on Conference sought to invest in university programs by appropriating \$33,000,000 for the Daniel K. Inouye College of Pharmacy facility at the University of Hawaii-Hilo, as well as \$28,800,000 for University of Hawaii-West Oahu's Allied Health and Administration Building.

Your Committee on Conference has also taken the first step toward creating a consolidated state department facility to be coordinated by the Department of Accounting and General Services. This facility will increase departmental efficiency and collaboration and will decrease general fund expenditures for private lease expenses. To achieve this end, \$15,000,000 was appropriated for the planning and design of the Liliha Civic Center.

Your Committee on Conference believes that the capital improvement projects within this budget will help the State to maintain the long-term viability of its current facilities, while also laying the foundation for the State to improve its operating efficiency through technological and physical infrastructure development and modernization.

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. 1700, 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. 1700, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland, Dela Cruz, English, Espero, Kahele, Keith-Agaran, Kidani, Kouchi, Ruderman, Thielen and Tokuda.

Managers on the part of the Senate.

Ayes, 12. Noes, none. Excused, none.

Representatives Luke, Cullen, Hashem, Ing, Jordan, Kobayashi, Lowen, Morikawa, Nishimoto, Onishi, Takayama, Tokioka, Woodson, Yamashita, Fukumoto, Johanson and Ward.

Managers on the part of the House.

Ayes, 17. Noes, none. Excused, none.

#### **Conf. Com. Rep. 149-14 on H.B. No. 748**

The purpose of this measure is to propose an amendment to Article VII, section 12, of the Constitution of the State of Hawaii to authorize the State to issue special purpose revenue bonds and use the bond proceeds to assist agricultural enterprises on any type of land instead of only on important agricultural lands.

Your Committee on Conference has amended this measure by changing its effective date to make it effective upon compliance with Article XVII, section 3, of the Constitution of the State of Hawaii.

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. 748, 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. 748, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Hee, Kouchi, Dela Cruz and Slom.

Managers on the part of the Senate.

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

Representatives Wooley, Rhoads, Onishi and Matsumoto.

Managers on the part of the House.

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

#### **Conf. Com. Rep. 150-14 on H.B. No. 1745**

The purpose of this measure is to, among other things:

- (1) Authorize the State Public Charter School Commission (Commission) to assess fees on non-state entities and individuals to help cover its operating costs;
- (2) Require that a charter applicant comply with pre-opening criteria set by the charter school authorizer before becoming an entity of the State, by entering into and executing a charter contract to open a school;
- (3) Clarify that during the start-up period, a pre-opening charter school that is a conversion charter school is a separate entity of the State than the department school from which it is converting;
- (4) Clarify that pre-opening charter schools, unless otherwise exempted by the charter school authorizer:
  - (A) Shall not be entitled to receive funding under section 302D-26, 302D-28, 302D-29, or 302D-29.5, Hawaii Revised Statutes (HRS);
  - (B) Shall not employ employees other than independent contractors; and
  - (C) Shall not be subject to the performance framework requirements of section 302D-16, HRS;
- (5) Clarify that a charter school, along with its respective governing board, that has a current charter contract from its authorizer may operate as a charter school and receive public funds;



- (6) Clarify that the charter contract of a pre-opening charter school is void if the charter school fails to meet pre-opening criteria within the start-up period;
- (7) Specify that legislatively appropriated funding for the Commission is independent of funding for charter schools;
- (8) Allow charter school authorizers to negotiate and execute charter contracts with approved charter applicants and existing charter schools;
- (9) Amend annual reporting requirements for charter school authorizers and the Board of Education;
- (10) Require members of a charter school authorizer, including members of the Commission, to disclose a list of all charter schools in which the member has previously been an employee, governing board member, vendor, contractor, agent, or representative;
- (11) Amend requirements for service on a governing board, for the conduct of meetings by a governing board, and for notice of meetings by a governing board;
- (12) Repeal the authorization for the formation of a conversion charter school by an existing Hawaiian language immersion program;
- (13) Provide for the reconstitution of governing boards of charter schools under exigent circumstances;
- (14) Allow charter school authorizers to direct a governing board and charter school to take appropriate action to immediately address serious health and safety issues that may exist at a charter school; and
- (15) Make other housekeeping and conforming amendments.

Your Committee on Conference finds that in 2012, the Legislature passed Act 130, Session Laws of Hawaii 2012 (Act 130), which established a new charter school law that created a comprehensive governance structure for Hawaii's charter school system with clear lines of authority and accountability to foster improved student outcomes. As a result of Act 130, Hawaii's charter school system leapt to fourteenth place in the National Alliance for Public Charter Schools' rankings. This measure builds on the progress made by Act 130, while addressing outstanding issues and making other amendments for clarity.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the requirement for separate legislative appropriations for the Commission shall begin with the 2015-2016 fiscal year;
- (2) Adding language to require the Commission to submit a report to the Chairs of the Senate Committee on Ways and Means, Senate Committee on Education, House Committee on Finance, and House Committee on Education, on the Commission's staffing and operational expenditures by the twentieth day after the Commission submits its 2015-2016 budget request to the Governor or December 1, 2014, whichever is earlier;
- (3) Inserting an effective date of July 1, 2014; and
- (4) Making technical, nonsubstantive 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 H.B. No. 1745, 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. 1745, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Ing and Fale.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 151-14 on H.B. No. 1796**

The purpose of this measure is to promote the safety and well-being of students, staff, and others by prohibiting the use of seclusion, chemical restraint, and mechanical restraint and limiting the use of physical restraint in public schools.

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

- (1) Removing the prohibition against the imposition of physical restraint that is contraindicated based on the student's disability, health care needs, or medical or psychiatric condition, as documented in a health care directive or medical management plan, a behavior intervention plan, an individual education program, or an individualized family service plan (as defined in Section 602 of the Individuals with Disabilities Education Act, (20 U.S.C. 1401)), or plan developed pursuant to Section 504 of the Rehabilitation Act of 1973;
- (2) Amending the frequency and content of the written information that parents and legal guardians of students receive regarding the use of restraint in public schools;
- (3) Requiring the Department of Education to make information relating to policies and procedures available on its website;
- (4) Requiring the Department of Education to post changes on its website immediately, if policy or procedural changes related to restraint are made during the school year;

- (5) Requiring an annual, rather than quarterly, review of data on students at each public school who were restrained;
- (6) Establishing definitions for “behavior intervention plan”, “emergency situation”, and “positive behavioral supports and interventions”;
- (7) Amending the frequency and content the Department of Education’s reports to the Legislature;
- (8) Requiring the Department of Education to update the Senate Committee on Education and House of Representatives Committee on Education no later than 20 days prior to the convening of the Regular Session of 2017 on the Department of Education’s policy and procedures on the use of restraint in public schools;
- (9) Appropriating \$250,000 to provide resources for training and data accountability;
- (10) Changing its effective date to upon its approval; provided that:
  - (A) Sections 2 and 3 of the bill take effect on August 1, 2016; and
  - (B) Section 6 of the bill takes effect on July 1, 2014; and
- (11) 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. 1796, 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. 1796, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Hee, Kidani, Ruderman and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Ruderman).

Representatives Takumi, Rhoads, Luke and Fale.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 152-14 on H.B. No. 2257**

The purpose of this measure is to provide the Board of Education with greater flexibility to establish the salary of the Superintendent of Education to attract and retain exemplary individuals to support a strong statewide public education system by:

- (1) Adjusting the salary cap on the Superintendent’s position; and
- (2) Subjecting the Superintendent to an annual performance evaluation based on outcomes determined by the Board of Education.

Your Committee on Conference has amended the bill by:

- (1) Setting the salary cap on the Superintendent’s position at \$250,000;
- (2) Providing that the Superintendent is subject to an annual performance evaluation in alignment with other employee evaluations within the Department of Education and based on outcomes determined by the Board of Education, but not prohibiting the Board of Education from conditioning a portion of the salary on performance;
- (3) Changing its effective date to upon its approval;
- (4) Establishing a sunset date of June 30, 2024;
- (5) Providing that any contracts entered into prior to June 30, 2024, will remain in effect for the duration of the contract; 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. 2257, 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. 2257, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Ige and Kidani.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Takumi, Nakashima, Nishimoto and Fale.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

## STANDING COMMITTEE REPORTS

**SCRep. 2001 Agriculture on S.B. No. 2078**

The purpose and intent of this measure is to clarify that condominium property regimes located on agricultural lands shall not place any restrictions on agricultural uses or activities permitted on those lands pursuant to chapter 205, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Real Estate Commission, Hawaii Association of REALTORS, and one individual. Your Committee received testimony in opposition to this measure from Babes Against Biotech.

Your Committee finds that the Department of Agriculture is receiving complaints from occupants of condominium property regimes whose agricultural activities are being restricted by private agreements contained in the condominium declaration, maps, bylaws, or other documents. For example, some regimes are restricting the types of crops planted by its occupants, or the days and times when farming equipment may be used by its occupants. Your Committee concludes that this measure is necessary to clarify that all agricultural activities and uses permitted by law shall be permitted on agricultural lands occupied by a condominium property regime. Your Committee notes that there was some confusion at the hearing as to why condominium projects would be built on agricultural lands. Your Committee would like to clarify that condominium property regimes on agricultural lands are generally not high-rise structures typically found in urban areas. Instead, condominiums property regimes on agricultural lands usually consist of single family homes placed on separate lots. This type of arrangement is used when a large parcel of agricultural land cannot be subdivided and sold in smaller parcels due to state and county zoning laws.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2078, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Thielen).

**SCRep. 2002 Education on S.B. No. 2134**

The purpose and intent of this measure is to amend various sections of chapter 302A, Hawaii Revised Statutes, to comply with the requirements of the federal Individuals with Disabilities Education Act.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii Disability Rights Center, Community Children's Council of Hawaii, and Special Education Advisory Council.

Your Committee finds that the United States Court of Appeals for the Ninth Circuit recently held in *E.R.K. v. State of Hawaii Department of Education*, 728 F.3d 982 (2013), that section 302A 1134(c), Hawaii Revised Statutes, which limits public school attendance to children who are twenty years of age or younger, violated the federal Individuals with Disabilities Education Act by denying public education to special-needs students aged twenty to twenty-one. This measure is necessary to bring Hawaii's law into compliance with the requirements of the federal Individuals with Disabilities Education Act.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2134 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. 2003 Education on S.B. No. 2425**

The purpose and intent of this measure is to:

- (1) Rename the Hawaii 3R's school repair and maintenance fund as the Hawaii 3R's school improvement fund; and
- (2) Require the transfer of monies collected pursuant to section 235-102.5(b), Hawaii Revised Statutes, and any other monies received in the form of grants and donations for school-level improvement and minor repairs and maintenance to the Hawaii 3R's school improvement fund.

Your Committee received testimony in support of this measure from the Department of Education, Hawaiian Electric Company, Hawaii 3R's, and one individual.

Your Committee finds that for more than a decade, Hawaii 3R's provided a valuable service of bringing much needed improvements to the public schools. Section 235-102.5(b), Hawaii Revised Statutes, enables taxpayers to elect to make donations toward the school-level minor repairs and maintenance special fund by checking off a box on their individual income tax return. When passed, the section was intended to facilitate funding for the repair and maintenance of Hawaii's public schools. This measure ensures that the monies received through the taxpayer-elected donations are transferred to Hawaii 3R's for the continued improvement of Hawaii's schools.

This measure also recognizes Hawaii 3R's changing role in building a greater sense of community around the schools it assists and allows monies to be applied to projects that facilitate a broader array of educational purposes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2425 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. 2004 Human Services on S.B. No. 2337**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the low-income housing tax credit loan program in order to support low-income housing development.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Office of Housing and Community Development, County of Hawaii; Hawaii Association of REALTORS; Blueprint for Change; Hawaii Primary Care Association; Community Alliance for Mental Health; and one individual. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that there is a critical need for low-income housing in the State and that the construction industry is in need of alternative financing mechanisms that would enable it to sustain and complete low-income housing projects. This measure supports the development of low-income housing by supporting the low-income housing tax credit loan program, which provides owners of certain low-income buildings a no-interest loan for a percentage of the cash value of the state low-income housing tax credit in lieu of claiming the credit.

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. 2337 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 (Kidani).

**SCRep. 2005 Human Services on S.B. No. 2534**

The purpose and intent of this measure is to assist homeless families and individuals in the State by establishing the Hale Kokua program within the Department of Human Services.

Your Committee received testimony in support of this measure from the Community Alliance for Mental Health, Blueprint for Change, Hawaii Primary Care Association, and one individual. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that homelessness continues to be one of the primary challenges in the State. The Hale Kokua program, which provided incentives and assistance to property owners who set aside existing dwelling units to rent to families or individuals classified as employed but homeless, was originally established in 1992 but was repealed in 2010. This measure reestablishes the Hale Kokua program to encourage property owners to make dwelling units available for homeless individuals and families who are employed.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2534, 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. 2006 Human Services on S.B. No. 2541**

The purpose and intent of this measure is to provide funding to the Hawaii Public Housing Authority for the redevelopment of its administrative offices on School Street and for the design and construction of an elderly-only housing complex at the same location.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority and Community Alliance for Mental Health.

According to the Hawaii Public Housing Authority, all of its elderly housing properties include non-elderly tenants with disabilities, and converting existing public housing properties to elderly-only housing involves an administratively burdensome process due to United States Department of Housing and Urban Development requirements. Your Committee finds that funding the construction of new elderly-only housing units will help the Authority meet the increasing need for elderly housing in the State and enable elderly people to age in place with fellow elderly people. Your Committee also finds that funding redevelopment of the Authority's administrative offices at the same location as the new elderly-only housing complex will enhance the Authority's capacity to meet the needs of the State's elderly population that will be residing at the new elderly-only complex.

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. 2541 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 (Kidani).

**SCRep. 2007 Human Services on S.B. No. 2544**

The purpose and intent of this measure is to allow only original household members to retain a federal housing voucher under the Hawaii Public Housing Authority's housing choice voucher program.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, Institute for Human Services, Blueprint for Change, and one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Community Alliance for Mental Health.

Your Committee finds that the housing choice voucher program currently allows individuals who receive a housing voucher to keep the voucher or pass it along to family members or friends even when the original household members no longer live in the household. This measure prevents family members and friends from inheriting housing vouchers and thereby circumventing the waitlist for a housing voucher by requiring original household members to return their voucher when all original members no longer live in the household. The measure allows minors who survive the original household member and were added to the household to retain the voucher until the last minor reaches the age of twenty-one.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage 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. 2544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2544, 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. 2008 Human Services on S.B. No. 2266**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the rental housing trust fund and the dwelling unit revolving fund in order to support affordable rental housing development and infrastructure development.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Housing Finance and Development Corporation, The Chamber of Commerce of Hawaii, Catholic Charities Hawaii, Community Alliance for Mental Health, Partners in Care, PHOCUSED, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Association of REALTORS, Hawaii Primary Care Association, Blueprint for Change, Land Use Research Foundation of Hawaii, Living Life Source Foundation, and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

According to the 2011 Hawaii Housing Planning Survey, there is a need for more than 13,000 rental units by 2016 for households at or below eighty percent of the area median income. Testimony on this measure indicates that almost seventy-five percent of extremely low income households pay more than half of their income for rent. Your Committee finds that there is a serious need to develop affordable rental housing in Hawaii to meet the needs of individuals and families who are homeless or at risk of becoming homeless. Your Committee also finds that investing in housing development has a substantial economic impact, and that the allocation of \$100,000,000 to the rental housing trust fund would lead to the creation of approximately 1,000 jobs in Hawaii. In addition, funding the dwelling unit revolving fund allows for infrastructure improvements that are needed to develop new affordable housing statewide.

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. 2266 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 (Kidani).

**SCRep. 2009 Human Services on S.B. No. 2286**

The purpose and intent of this measure is to prohibit persons or agencies that provide services to homeless individuals from knowingly requesting or requiring, or aiding and abetting another person in requesting or requiring, the individuals to purchase goods or food stamps on their electronic benefits transfer card or through other public assistance programs in exchange for the services.

Your Committee received testimony in support of this measure from the Community Alliance for Mental Health, Blueprint for Change, and one individual. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that it would be beneficial to prohibit homeless service providers from requesting or requiring their clients to pay for benefits using their electronic benefits transfer card or through other means of public assistance in exchange for receiving services. However, your Committee notes that the prevalence of these practices in Hawaii is unclear and may require further review.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage 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. 2286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2286, 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 (Slom). Noes, none. Excused, 1 (Kidani).

**SCRep. 2010 Human Services on S.B. No. 2545**

The purpose and intent of this measure is to enable families to establish a savings account for their children who were born in Hawaii or reside in Hawaii.

Your Committee received testimony in support of this measure from Blueprint for Change, Hawaii JumpStart Coalition for Personal Financial Literacy, and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance and one individual.

Your Committee finds that it is important to help families start saving at birth for their children's futures. Thirty-four percent of Hawaii's middle class families are asset poor. Children's savings accounts are a recognized tool for assisting families with building meaningful savings for their children while learning about money and finance. Your Committee recognizes that HI529, Hawaii's college savings program administered by the Department of Budget and Finance, already exists to assist families with saving for higher education and that it would not be beneficial for children's savings accounts to compete with the existing program.

Accordingly, your Committee has amended this measure by:

- (1) Amending the authorized uses for monies in the savings accounts to no longer include paying for higher education; and
- (2) Making amendments to section 1 to reflect the amended purpose 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. 2545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2545, 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. 2011 Agriculture on S.B. No. 109**

The purpose and intent of this measure is to amend the law relating to agriculture.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language to appropriate funds to support the development and implementation of additional tools and education and outreach to stop the spread and establishment of little fire ants as follows:

- (1) \$1,000,000 to the Department of Agriculture to establish and implement tools to control and eradicate little fire ants in Hawaii;
- (2) \$800,000 to the Pacific Cooperative Studies Unit of the University of Hawaii for the establishment of an island-based canine detection team on each county to assist in the detection of little fire ants and other high priority invasive species as determined by each county; and
- (3) \$350,000 to the Pacific Cooperative Studies Unit of the University of Hawaii for public outreach and education efforts related to the control and eradication of little fire ants in Hawaii.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Agriculture 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 be recommitted to the Committee on Agriculture, in the form attached hereto as S.B. No. 109, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Slom).

**SCRep. 2012 Agriculture on S.B. No. 2291**

The purpose and intent of this measure is to appropriate funds to the Department of Agriculture to fund agricultural research conducted by the Hawaii Farm Bureau Federation to demonstrate to the United States Food and Drug Administration that Hawaii's farmers can comply with the food safety requirements of the Food Safety Modernization Act using alternative, less burdensome methods.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; Alexander & Baldwin, Inc.; and Hawaii Aquaculture and Aquaponics Association. Your Committee received comments on this measure from two individuals.

Your Committee finds that the United States Food and Drug Administration will soon formalize stricter food safety regulations for agriculture under the Food Safety Modernization Act. The anticipated regulations are expected to cost Hawaii farmers a substantial amount of money and threaten the State's efforts to increase agricultural sustainability. The Food Safety Modernization Act, however, will allow the use of alternative farming methods if these methods are scientifically shown to be as safe as the Food and Drug Administration's prescribed procedures. Therefore, research must be conducted to demonstrate that the less expensive and traditional farming procedures used by Hawaii farmers are safe and acceptable to the Food and Drug Administration. Unfortunately, small farms in Hawaii do not have the financial means to conduct research themselves or to comply with the Food Safety Modernization Act. Your Committee concludes that establishing alternative food safety procedures that are appropriate for small farms in Hawaii given the climatic, biological, and economic conditions unique to Hawaii is necessary to sustain local agriculture while ensuring that Hawaii farmers are in compliance with federal laws.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2291 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 (Dela Cruz, English, Slom).

**SCRep. 2013     Agriculture on S.B. No. 2293**

The purpose and intent of this measure is to fund the livestock revitalization program for an additional year.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; Hawaii Farmers Union United; and six individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that the livestock industry's greatest challenge is the rising cost of feed for livestock production. Many Hawaii producers have gone out of business primarily due to the rising cost of feed, resulting in increased food costs for Hawaii residents, and many remaining livestock producers are threatened with closure due to the rising cost of feed. The livestock revitalization program reimburses qualified livestock producers for a percentage of their feed costs. Your Committee concludes that subsidizing feed costs is necessary to encourage local food production, decrease food costs, and increase the State's food sustainability.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2293 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; Ayes with Reservations (Thielen, Wakai). Noes, none. Excused, 3 (Dela Cruz, English, Slom).

**SCRep. 2014     Agriculture on S.B. No. 2679**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the planning and designing of phase II renovations to the Kamuela Vacuum Cooling Plant.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, and two individuals.

Your Committee finds that the Kamuela Vacuum Cooling Plant is operated by the Kamuela Farmers Cooperative and the Department of Agriculture to cool down locally grown vegetables before they are shipped to market. The facility processes approximately seven million pounds of produce annually and is an effective means to increase the shelf life of a wide variety of produce. Unfortunately, the Kamuela Vacuum Cooling Plant is nearly thirty years old and in desperate need of repair. Your Committee concludes that the facility's cooling and electrical systems must be repaired or upgraded to facilitate the continued integrity, expansion, and diversification of locally grown produce.

Your Committee has amended this measure by clarifying that the expending agency for the appropriation is the Department of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2679, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2679, S.D. 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 (Dela Cruz, English, Slom).

**SCRep. 2015     Health on S.B. No. 2579**

The purpose and intent of this measure is to authorize the Director of Finance to issue general obligation bonds and to appropriate funds for the Department of Health to develop a secure inpatient psychiatric facility in which services can be provided for the mentally ill who need stricter security, and for inmates and detainees who need a higher level of mental health care.

Your Committee received testimony in support of this measure from the Department of Health; Department of Public Safety; Department of the Prosecuting Attorney, City and County of Honolulu; Hawaii Disability Rights Center; Hawaii Government Employees Association; Community Alliance for Mental Health; and two individuals.

Your Committee finds that the Hawaii State Hospital is not equipped to be a forensic facility and lacks the capacity to serve the current needs of its patients. Your Committee further finds that the State needs a secure inpatient psychiatric facility in order to promote greater safety for patients, staff, and the public. A separate facility would appropriately house populations of mentally ill patients who need stricter security, as well as inmates and detainees who require a higher level of mental health care, with well-trained staff operating at a sensible ratio to the patients.

Your Committee has amended this measure by:

- (1) Adding language to require the Department of Health to establish a task force to study the needs of the populations that will be served by the inpatient psychiatric facility, develop a coordinated interagency action plan to implement services, and submit the interagency action plan to the Legislature; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that providing mental health campus facilities, rather than a hospital setting only, would encourage the compassionate care of 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. 2579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2579, 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 (Nishihara).

**SCRep. 2016 Health on S.B. No. 2065**

The purpose and intent of this measure is to:

- (1) Convene a task force to collect relevant data on the number of elective pre-term deliveries in Hawaii;
- (2) Require the task force to develop approaches and measures for addressing the number of elective pre-term deliveries, if the task force determines that the number may pose a public health threat;
- (3) Require the task force to collect data to determine whether a point-of-care newborn screening program is needed in Hawaii; and
- (4) Require the task force to report to the Legislature.

Your Committee received testimony in support of this measure from the Department of Health and Healthcare Association of Hawaii.

Your Committee finds that the ability to prevent infant deaths and address long-standing disparities in infant mortality rates between population groups is necessary to protect the health and well-being of the community. Your Committee further finds that the collection of data on elective pre-term deliveries and point-of-care newborn screening is critical to inform policy and program interventions.

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. 2065 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 (Nishihara, Slom).

**SCRep. 2017 Health on S.B. No. 2064**

The purpose and intent of this measure is to authorize up to twenty visits for psychological and psychiatric services over a sixty-day period for medical rehabilitation of injured employees covered under workers' compensation.

Your Committee received testimony in support of this measure from the Work Injury Medical Association of Hawaii and one individual. Your Committee received testimony in opposition to this measure from the Department of Human Resources Development and Hawaii Insurers Council.

Your Committee finds that providing injured employees with psychological or psychiatric services can help prevent addiction, drug diversion, chronic pain, post-traumatic stress disorder, major depressive disorder, and other psychological and psychiatric issues.

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. 2064 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

**SCRep. 2018 Health on S.B. No. 2032**

The purpose and intent of this measure is to:

- (1) Add intentionally or knowingly causing bodily injury to medical services providers to assault in the second degree offense; and
- (2) Expand the protections under the offense to include medical services providers that work in medical clinics and federally qualified health centers.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, The Queen's Health Systems, Kaiser Permanente, Hawaii Association of Professional Nurses, Hawaii Pacific Health, Kahi Mohala Behavioral Health, and four individuals.

Your Committee finds that health care workers have faced increased risks of job-related violence in recent years. Given the increased risk of serious assaults occurring in health care settings, your Committee further finds that the legal protections currently afforded to health care workers in emergency departments should be extended to medical services providers in medical clinics and federally qualified health centers.

Your Committee has amended this measure by expanding the protections under the offense to include unlicensed medical professionals and other medical staff involved in the direct care of 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. 2032, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2032, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

**SCRep. 2019 Health on S.B. No. 2349**

The purpose and intent of this measure is to provide funding for a statewide pilot program to treat chronic, substance-dependent adults.



Your Committee received testimony in support of this measure from the Department of Health, Department of Public Safety, Hawaii Substance Abuse Coalition, Community Alliance for Mental Health, and three individuals.

Your Committee finds that helping individuals with substance abuse dependencies receive the care they need will improve public health and reduce health care costs. Your Committee further finds that substance abuse is a leading cause of preventable hospitalization and homelessness. The provision of timely, intensive treatment for substance-dependent individuals will minimize the overutilization of expensive emergency and medical services, saving millions of dollars.

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. 2349 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; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Nishihara).

**SCRep. 2020 Health on S.B. No. 2348**

The purpose and intent of this measure is to appropriate funds to establish two special emergency medical response vehicle units to be based in the Puna and Makalei areas on the island of Hawaii, including acquisition of vehicles, equipment, and personnel costs for state-certified emergency medical service personnel.

Your Committee received testimony in support of this measure from the Department of Health; Hawaii Fire Department; American Medical Response, Hawaii County; and three individuals.

Your Committee finds that there are increasing demands for emergency medical services on the island of Hawaii, particularly in Puna and Makalei. Given the growing volume of 911 requests, total land area of these districts, time to access remote populations, and transport distance to the nearest hospital, the total time to complete a transport can be close to two hours before an ambulance unit becomes available in the district after it is dispatched. Your Committee further finds that emergency medical situations are time sensitive, and rapid response by emergency medical service providers often makes the difference between life and death.

Your Committee notes that the cost to operate an advanced life support ambulance in these districts is approximately \$1,000,000 per year. Your Committee further notes that one of the vehicles that will serve as an advanced life support ambulance will be donated; therefore, only one ambulance will be purchased using the appropriation funds.

Your Committee has amended this measure by appropriating funds to establish and fund the operation of two advanced life support ambulances, instead of special emergency medical response vehicle units, and making conforming amendments throughout the measure accordingly.

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. 2348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2348, 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 (Nishihara).

**SCRep. 2021 (Majority) Health on S.B. No. 2570**

The purpose and intent of this measure is to require a warning label for all food products containing aspartame that are offered for sale or distribution in the State.

Your Committee received testimony in support of this measure from Babes Against Biotech and six individuals. Your Committee received testimony in opposition to this measure from the Department of Health; Hawaii Food Industry Association; Ajinomoto North America, Inc.; American Beverage Association; and one individual. Your Committee received comments on this measure from the Calorie Control Council.

Your Committee finds that consuming high levels of the artificial sweetener, aspartame, has been associated with serious health ailments, including diabetes, headaches, vision deficiencies, high blood pressure, heart disease, leukemia, lymphoma, and tumors. This measure will help individuals make informed decisions when purchasing food products containing aspartame.

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. 2570 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; Ayes with Reservations (Baker). Noes, 1 (Slom). Excused, 1 (Nishihara).

**SCRep. 2022 Health on S.B. No. 2052**

The purpose and intent of this measure is to establish a rule of evidence to exclude the admissibility of medical apologies to prove liability.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, Healthcare Association of Hawaii, Hawaii Pacific Health, and Hawaii Association of Professional Nurses. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committee finds that health care providers should be permitted to express compassion, apology, and other benevolent acts without fear of their statements or acts being used as evidence of liability when a patient experiences adverse outcomes. This measure will improve communications between health care providers and patients and reduce unnecessary litigation.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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. 2052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2052, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

**SCRep. 2023 Health on S.B. No. 2736**

The purpose and intent of this measure is to establish labeling requirements for any food or raw agricultural commodity sold in the State that contains genetically engineered material, or was produced with genetically engineered material, with certain exceptions for restaurants and retail establishments.

Your Committee received testimony in support of this measure from the Kauai County Council; Hawaiian Sustainability Foundation; Pacific Alliance to Stop Slavery; Life of the Land; Emerald Isle Properties; Kilauea Paint and Feed Store; Dad's Granola, LLC; Island Breath; Hawaii Government Employees Association; Progressive Democrats of Hawaii; Democratic Party of Hawaii; Kona Hawaiian Civic Club; IMUAlliance; Hawaiian Affairs Caucus; Babes Against Biotech; and several individuals. Your Committee received testimony in opposition to this measure from the Department of Health; Maui County Farm Bureau; Hawaii Food Industry Association; Hawaiian Sustainability Foundation; Monsanto Hawaii; Hawaii Cattlemen's Council, Inc.; David S. De Luz Sr., and Enterprises Inc.; 4 Ag Hawaii; Hawaii Crop Improvement Association; Hawaii Farm Bureau Federation; and several individuals. Your Committee received comments on this measure from the Department of Agriculture and two individuals.

Your Committee finds that there are growing concerns that genetically engineered material is harmful to public health and the environment. Your Committee further finds that a large percentage of the population supports the right to know which food products contain genetically engineered material and prefers to make informed decisions when purchasing food.

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. 2736 and recommends that it pass Second Reading and be referred to the Committees on Commerce and Consumer Protection and Agriculture and Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3; Ayes with Reservations (Baker). Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2024 Commerce and Consumer Protection on S.B. No. 2260**

The purpose and intent of this measure is to assist the Department of Labor and Industrial Relations in enforcement of prevailing wage law under chapter 104, Hawaii Revised Statutes, by:

- (1) Increasing the length of suspension from three years to five years;
- (2) Clarifying the effective date of suspension; and
- (3) Specifying that suspension for falsification of records or delay or interference with an investigation is immediate.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Department of Accounting and General Services; International Brotherhood of Electrical Workers, Local 1186, AFL-CIO; Hawaii Laborers' Union; and The Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii and Building Industry Association of Hawaii. Your Committee received comments on this measure from the Hawaii Regional Council of Carpenters.

Your Committee finds that under chapter 104, Hawaii Revised Statutes, the suspension period for a third violation of prevailing wage law, falsification of records, or delay or interference with an investigation is three years. Due to the length of time needed for an investigation and the due process procedures available for a contractor, the Department of Labor and Industrial Relations has found that a contractor could delay these proceedings to the point that a three year suspension period is of little consequence. Your Committee further finds that this measure assists the Department of Labor and Industrial Relations in enforcing the prevailing wage law and encourages contractors to comply with the law by ensuring that a contractor who deliberately violates the law will serve a suspension period that acts as more of a deterrent.

Your Committee notes that it is clear from testimony received that the Department of Labor and Industrial Relations needs more staff to effectively administer the prevailing wage law. Although staffing of the Department of Labor and Industrial Relations is beyond the purview of your Committee, your Committee believes it is important to note this issue for additional consideration by your Committee on Judiciary and Labor.

Your Committee has amended this measure by:

- (1) Clarifying the effective date of suspension for a third violation of prevailing wage law by a person or firm;
- (2) Specifying who the Director of Labor and Industrial Relations shall notify of any suspension order;
- (3) Inserting a sunset date of June 30, 2018;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and

- (5) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2260, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Nishihara).

**SCRep. 2025 (Majority) Commerce and Consumer Protection on S.B. No. 2497**

The purpose and intent of this measure is to increase the:

- (1) License fee for persons engaged as a wholesaler or dealer of cigarettes or tobacco products from \$2.50 to an unspecified amount; and
- (2) Retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and other tobacco products from \$20 to an unspecified amount.

Your Committee received testimony in support of this measure from the Coalition for a Tobacco-Free Hawai'i and American Cancer Society Cancer Action Network. Your Committee received testimony in opposition to this measure from the Hawaii Smokers Alliance. Your Committee received comments on this measure from the Department of Health and Department of Taxation.

Your Committee finds that, when compared to other states, Hawaii's tobacco licensing fees are among the lowest in the country. Hawaii's license fee for a wholesaler or dealer has not increased since 1995, and the State is one of only two that charge a wholesaler or dealer less than a retailer for a license. According to the Department of Taxation, in Fiscal Year 2013, the State received only \$505 in wholesale license fees and \$30,827.50 in retail permits. In comparison, the tobacco industry spends \$26,900,000 a year in marketing their products in Hawaii.

Your Committee further finds that tobacco retailer licensing is an effective tool for limiting the negative public health consequences of tobacco use by ensuring that wholesalers, dealers, and retailers comply with responsible sales practices. Wholesaler, dealer, and retail licenses with adequate annual fees provide the necessary resources for administrative costs and enforcement of tax laws. In many states, these fees also serve as important strategies for limiting youth access to tobacco.

Your Committee also finds that increasing tobacco licensing and permit fees and requiring money from the fees to support smoking cessation programs in the State will help decrease access to tobacco by minors, prevent initiation of tobacco use, and ensure continued tobacco regulation and enforcement of relevant tax laws.

Accordingly, your Committee has amended this measure by:

- (1) Amending the license fee for persons engaged as a wholesaler or dealer of cigarettes or tobacco products from an unspecified amount to \$250;
- (2) Amending the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and other tobacco products from an unspecified amount to \$50; and
- (3) Specifying that revenue from the license and permit fees shall be used to support smoking cessation programs 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. 2497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2497, 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. 2026 Commerce and Consumer Protection on S.B. No. 2758**

The purpose and intent of this measure is to require the interest and other monies earned on the principal of the Hurricane Reserve Trust Fund to be deposited into the trust fund instead of being diverted into the general fund.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; Department of Defense, State Civil Defense; and two individuals. Your Committee received comments on this measure from the Hawaii Hurricane Relief Fund.

Your Committee finds that the current Administration has set a targeted objective that the State have formal reserves equal to at least ten percent of general fund revenues. Your Committee further finds that this measure commits interest that is earned on funds already held in reserves, which is a prudent and rational approach that should help the State meet its targeted objective sooner.

Your Committee additionally finds that although the Hurricane Reserve Trust Fund is currently operationally dormant, there is a large amount of risk exposure faced by the trust fund when it is operational. Incorporating a sunset date into this measure will ensure the Legislature's ability to revisit this matter in the future, should the need arise.

Accordingly, your Committee has amended this measure by inserting a sunset date of June 30, 2019.

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. 2758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2758, 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 (Nishihara).

**SCRep. 2027 Commerce and Consumer Protection on S.B. No. 2229**

The purpose and intent of this measure is to:

- (1) Establish the Uniform Power of Attorney Act, which defines the levels of authority granted in a power of attorney to the principal's agent, requires an agent to act in good faith and within the scope of authority of a power of attorney, and provides sample documents to be used to create a power of attorney; and
- (2) Repeal chapter 551D, Hawaii Revised Statutes, relating to the Uniform Durable Power of Attorney Act.

Your Committee received testimony in support of this measure from the Executive Office on Aging; Office of the Prosecuting Attorney, County of Hawaii; Commission to Promote Uniform Legislation; and AARP Hawaii. Your Committee received comments on this measure from the Judiciary.

Your Committee finds that powers of attorney are essential tools for delegating authority to others to effectively plan for incapacity, including the ability for a person to handle the financial matters of another. However, a 2002 national study of durable powers of attorney revealed the need to address numerous issues not contemplated in the original Uniform Durable Power of Attorney Act, codified in Hawaii as chapter 551D, Hawaii Revised Statutes. In response to these concerns and as a way to promote uniformity on issues on which the Uniform Durable Power of Attorney Act was silent, the National Conference of Commissioners on Uniform State Laws developed the model Uniform Power of Attorney Act (2006). By 2013, the Uniform Power of Attorney Act had been enacted in thirteen states and one territory.

Your Committee further finds that this measure is based on the model Uniform Power of Attorney Act, which codifies state power of attorney legislative trends and collective best practices and strikes a balance between the need for flexibility and acceptance of an agent's authority and the need to prevent and redress financial abuse. This measure preserves the durable power of attorney as a low-cost and flexible form of surrogate financial decision making in the event of incapacity, encourages acceptance of powers of attorney by third persons, safeguards incapacitated principals, and provides clearer guidelines for agents.

Your Committee has heard testimony that this measure may create unintended consequences for families who use powers of attorney for the care of minors and disabled adults. Accordingly, amendments to this measure are necessary to exempt powers of attorney regarding the care of a minor or a disabled adult.

Your Committee has also heard the concerns of the Judiciary that this measure does not specify what court a person may petition to construe a power of attorney, review an agent's conduct, or grant appropriate relief. Your Committee notes that this measure is based on a model law intended for uniform enactment throughout the country, which is why a particular court may not have been specified. However, your Committee finds that this issue merits further consideration and requests that your Committee on Judiciary and Labor further examine the concerns raised by the Judiciary on this measure.

Your Committee has amended this measure by:

- (1) Specifying that the uniform power of attorney created by this measure shall not apply to a power created by a legal parent or legal guardian that places the care of a minor or disabled adult under another person; and
- (2) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2229, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2028 Energy and Environment on S.B. No. 2279**

The purpose and intent of this measure is to establish a task force to study the feasibility of a photovoltaic waste recycling program.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association and one individual. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism and Public Utilities Commission.

Your Committee finds that over the past few decades, production of energy through the use of photovoltaic technology has increased. The past ten years have seen the largest growth in demand for photovoltaic modules, with a rate of thirty-five percent in 2010 and predicted rates of twenty percent or more through 2015.

Your Committee further finds that photovoltaic panels have a life expectancy of up to thirty years, and panels that were installed in the 1990s will start filling waste bins within the next few years. However, photovoltaic panels and other products have many recoverable materials for reuse. The creation of a task force to study the issue of photovoltaic waste and recycling has potential environmental, financial, health, and social impacts for companies and consumers.

Your Committee has amended this measure by:

- (1) Establishing the photovoltaic waste recycling task force within the Department of Health, instead of the Department of Business, Economic Development, and Tourism, for administrative purposes;
- (2) Including the Director of Health, instead of the Director of Business, Economic Development, and Tourism, as a member of the task force;

- (3) Extending the deadline by which the task force shall report its findings and recommendations to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2016;
- (4) Extending the sunset date of the task force to June 30, 2016; and
- (5) Making a technical, nonsubstantive amendment for the purposes of clarity 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 S.B. No. 2279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2279, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 2029 Energy and Environment on S.B. No. 2858**

The purpose and intent of this measure is to establish an Office of Environmental Information Management within the Department of Health.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Health; Office of Environmental Quality Control; Hawaii Government Employees Association; and one individual.

Your Committee finds that the quality of the environment is important to the welfare of the people of Hawaii as is the economy of the State. Furthermore, there is an increasing demand for the collection of state environmental data and its dissemination to the public, to the regulated and permitted community, and to the United States Environmental Protection Agency. The development of specialized environmental information management systems can greatly assist the Department of Health's Environmental Health Administration to provide timely and comprehensive environmental information to the public, increase efficiency, and make more informed decisions to better protect the environment.

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. 2858 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 (Ihara).

**SCRep. 2030 (Majority) Energy and Environment on S.B. No. 2931**

The purpose and intent of this measure is to amend the advance disposal fee for glass containers to a tiered structure based on the interior volume of the glass container.

Your Committee received testimony in support of this measure from the City and County of Honolulu, County of Maui Department of Environmental Management, Reynolds Recycling, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association, Wine Institute, Hawaii Liquor Wholesalers Association, Southern Wine and Spirits of Hawaii, and forty-six individuals. Your Committee received comments on this measure from the Department of Health, Tax Foundation of Hawaii, and twelve individuals.

Your Committee finds that the cost of recycling glass containers far exceeds the revenue that the State receives through the advance disposal fee, which is imposed on sealed glass containers that are not glass deposit beverage containers. The result is a shortfall in payment for glass recycling or stoppages in the recycling of glass containers.

Your Committee further finds that the advance disposal fee of 1.5 cents per glass container has not been increased since it was established on September 1, 1994. Also, there is a huge disparity in weight between small glass containers and larger glass containers, which cost more to recycle.

Your Committee has amended this measure by:

- (1) Adding additional findings to section 1 based on information received from the Department of Health, counties, and recyclers; and
- (2) Inserting language requesting that the State Auditor audit the advance disposal fee program at the earliest opportunity and again five years later and submit the results to the Legislature.

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. 2931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2931, S.D. 1, and be 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. 2031 Human Services on S.B. No. 2267**

The purpose and intent of this measure is to provide funding for micro apartment housing units.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Housing Finance and Development Corporation, Catholic Charities Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Blueprint for Change, Hawaii Primary Care Association, Community Alliance for Mental Health, and two individuals.

Your Committee finds that there is a housing crisis in Hawaii and that affordable housing is a serious concern for many residents. According to a 2011 Hawaii Housing Planning Study, up to 50,000 new housing units will need to be built by 2016 to meet the new demand generated by changing demographics and economic conditions. This measure addresses the housing crisis by authorizing funds for the development of micro apartment housing units. Micro apartments can address the permanent housing needs of very low income households at a more efficient cost, as the per unit construction cost is about \$150,000 as opposed to the average rental unit that costs \$300,000 to construct. Your Committee received testimony indicating that micro apartment housing units can help Hawaii's efforts to end homelessness as well. Eighty-one percent of households experiencing homelessness are single individuals, and micro apartments are popular for Housing First programs, which are evidence-based practices that provide permanent housing and support services to people who have been chronically homeless.

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. 2267 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 (Kidani).

**SCRep. 2032 Human Services on S.B. No. 2442**

The purpose and intent of this measure is to appropriate \$100,000,000 for the rental housing trust fund in order to support affordable rental housing development including projects with micro units, family units, and elder housing units.

Your Committee received testimony in support of this measure from the Department of Human Services; Hawaii Housing Finance and Development Corporation; Office of Housing and Community Development, County of Hawaii; The Chamber of Commerce of Hawaii; Hawaii Primary Care Association; Partners in Care; Catholic Charities Hawaii; PHOCUSED; Hawaii Appleseed Center for Law and Economic Justice; Institute for Human Services; Community Alliance for Mental Health; Blueprint for Change; Living Life Source Foundation; RMA Sales; and two individuals.

According to a 2011 Center for Housing Policy report, Honolulu was tied for being the least affordable city for renters nationwide. Honolulu has also been ranked the third most expensive city for rentals. The 2011 Hawaii Housing Planning Study found that there is a need for more than 13,000 rental units by 2016 for households below eighty percent of the area median income. Your Committee finds that there is a pressing need to develop safe, decent, and affordable rental housing in Hawaii to meet the needs of individuals and families who are homeless or at risk of becoming homeless because they earn too much to qualify for low income housing programs yet earn too little to afford market rate housing. Your Committee also finds that investing in housing development has a substantial economic impact, and that the appropriation of \$100,000,000 to the rental housing trust fund would create approximately six hundred new affordable housing units, two hundred fifty of which would be permanent micro apartment units for very low income households. In addition, the allocation has the potential to generate approximately one thousand jobs in Hawaii.

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. 2442 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 (Kidani).

**SCRep. 2033 Human Services on S.B. No. 2525**

The purpose and intent of this measure is to establish a Medicaid buy-in program that encourages individuals with disabilities to gain employment while maintaining their health care services.

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Hawaii Association of the Blind, Lanakila Pacific, Ohana Health Plan, Hawaii Primary Care Association, Community Alliance for Mental Health, Hawaii Disability Rights Center, and three individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that it is beneficial to individuals and society for persons with disabilities who are interested in working to be employed. Employment not only benefits the individuals' self-esteem, but it also contributes to their self-sufficiency and independence, puts money back into the economy, and is a better use of state resources. Data from the United States Bureau of Labor Statistics indicates that in 2012 only 17.8 percent of people with disabilities were employed compared to 63.9 percent of people without disabilities. According to testimony on this measure, many people with disabilities want to work but worry that doing so could jeopardize their health coverage.

Your Committee finds that Hawaii is one of only five states in the country that has not yet formed a Medicaid buy-in program to allow persons with disabilities to work and move out of poverty. In 2012, a joint legislative task force was formed pursuant to Act 200, Session Laws of Hawaii 2012, to explore the possibility of implementing a Medicaid buy-in program for working individuals with disabilities based on Hawaii's Medicaid income and asset limits subject to approval of the federal Centers for Medicare and Medicaid Services. The Medicaid Buy-In Task Force has provided input for this measure, which your Committee has found useful in formulating its recommendation regarding this measure.

Your Committee has amended this measure by:

- (1) Amending the eligibility requirements and qualifications for the Medicaid buy-in program;
- (2) Removing the requirement that the program be evaluated periodically by the Department of Human Services with the assistance of the University of Hawaii;

- (3) Specifying that the Department of Human Services may establish an enrollment limit for the program; provided that it is not less than two hundred individuals;
- (4) Deleting the definition for “medicaid buy-in program for disabled workers”;
- (5) Amending the progress reporting requirement of the Department of Human Services by deleting any required assistance from the University of Hawaii, extending the deadline for the report by one year, and requiring the report to include resources needed to implement the Medicaid buy-in program;
- (6) Removing the appropriation to establish the Medicaid buy-in program;
- (7) Making the appropriation for outreach and training related to the Medicaid buy-in program to the University of Hawaii Center on Disability Studies, rather than to the Department of Human Services, and removing the evaluation of progress of the outreach and training programs as one of the purposes of the appropriated funds; and
- (8) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2525, 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 (Kidani, Slom).

**SCRep. 2034 Transportation and International Affairs on S.B. No. 2903**

The purpose and intent of this measure is to make an emergency appropriation to replace security funds that were used to cover the costs associated with the operations and maintenance of the outbound baggage handling and explosive detection systems.

Your Committee received testimony in support of this measure from the Department of Transportation and Airlines Committee of Hawaii.

Your Committee finds that new baggage handling and explosive detection systems were installed by the State at Honolulu International Airport to move the baggage screening from the ticket lobbies to the baggage make-up areas. The new systems require an operations and maintenance contract to ensure trouble-free movement of baggage from the ticket lobbies to the aircraft in time for its departure. This critical service provides system troubleshooting, repairs, and manufacturer’s recommended maintenance to the baggage handling and explosive detection systems that is beyond the capabilities of state staff. The new equipment is required by federal regulations so that all checked baggage is screened for explosives and other hazardous materials prior to placement on the aircraft. The cost to carry out these new procedures was unanticipated by the Department because the airlines previously absorbed the cost of operating and maintaining the new baggage screening process. To address the unanticipated costs, a contract was funded using funds from the fiscal year 2013-2014 security appropriation, since the system performs a security function.

Your Committee finds that security funding should be replaced immediately to prevent interruption of critical security services at Honolulu International Airport, especially as the security contract expires on February 15, 2014.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2903 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, 8. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2035 Education on S.B. No. 2136**

The purpose and intent of this measure is to make clarifying amendments to various sections of chapter 302A, Hawaii Revised Statutes, by clearly defining the terms “attend”, “attendance”, “enroll”, and “enrollment” as those terms are used in practice by the Department of Education.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that clarity is needed in regard to the use of the terms “attend”, “attendance”, “enroll”, and “enrollment” in the Hawaii Revised Statutes so that the terms match the way those terms are used in practice by the Department of Education.

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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2136, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2036 (Majority) Judiciary and Labor on S.B. No. 2073**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the negotiations for collective bargaining agreements for bargaining unit (6) are currently in progress. According to the Department of Budget and Finance, continuation of the arbitration hearing for bargaining unit (6) is scheduled for February 3-5, 2014. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2014 Regular Session.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2073 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 (Slom). Excused, 1 (Solomon).

**SCRep. 2037 (Majority) Judiciary and Labor on S.B. No. 2074**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, University of Hawaii System, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the negotiations for collective bargaining agreements for bargaining unit (9) are currently in progress. According to the Department of Budget and Finance, an arbitration hearing for collective bargaining unit (9) is scheduled for February 11 to 14, 2014. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2014 Regular Session.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2074 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 (Slom). Excused, 1 (Solomon).

**SCRep. 2038 (Majority) Judiciary and Labor on S.B. No. 2075**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (14) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. The Department of Budget and Finance submitted comments.

Your Committee finds that Act 137, Session Laws of Hawaii 2013, established a new collective bargaining unit (14) to represent state law enforcement officers and state and county ocean safety and water safety officers. Although this new bargaining unit has yet to be formed, this measure provides a legislative vehicle that can be used if an agreement is reached prior to the end of the 2014 Regular Session. Your Committee notes that collective bargaining unit (14) members are covered under contracts for collective bargaining units (3) and (4) and their excluded counterparts until the new bargaining unit is formed and an agreement is reached.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2075 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 (Slom). Excused, 1 (Solomon).

**SCRep. 2039 (Majority) Judiciary and Labor on S.B. No. 1065**

The purpose and intent of this measure is to provide a legislative vehicle for an emergency appropriation to fund public sector collective bargaining cost items for salary adjustments and other cost adjustments for public employees in collective bargaining unit (11) and their excluded counterparts for fiscal biennium 2011-2013.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Hawaii Fire Fighters Association, IAFF Local 1463, AFL-CIO.

Your Committee finds that after more than two years of negotiation and arbitration proceedings, the arbitration panel issued an award on November 15, 2013. This award includes changes to a number of sections of the collective bargaining contract and salary and benefit adjustments for collective bargaining unit (11). This measure provides a legislative vehicle to effectuate the terms and conditions of the arbitrated award for public employees in collective bargaining unit (11).

Although the arbitrated award costs have already been included in the Fiscal Year 2015 Executive Supplemental Budget, your Committee notes that the Governor's Office is expected to issue the appropriate emergency appropriation declaration to cover the arbitrated award costs.

Your Committee has amended this measure by adopting the suggested language submitted by the Department of Budget and Finance that:



- (1) Changes the title for program ID BUF 101 from “program planning, analysis, budgeting” to “departmental administration and budget division” to reflect the appropriate program ID title;
- (2) Changes the fiscal biennium from 2011-2013 to 2013-2015;
- (3) Adds appropriations for employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (11) and their excluded counterparts for fiscal biennium 2013-2015;
- (4) Inserts specified amounts for collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (11) and their excluded counterparts for fiscal biennium 2013-2015; and
- (5) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1065, as amended herein, and recommends 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 Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Gabbard, Solomon).

**SCRep. 2040 Judiciary and Labor on S.B. No. 2246**

The purpose and intent of this measure is to make an appropriation to satisfy several claims against the State, its officers, or its employees, including claims for legislative relief, judgments against the State, settlements, and other miscellaneous claims.

Your Committee received testimony in support of this measure from the Department of the Attorney General and one individual.

This measure requests a total of \$170,365.59 in appropriations from the general fund to satisfy five claims against the State and a total of \$90,000 in appropriations from the state highway fund to satisfy two claims against the State. The grand total for the seven claims settled in this measure as received by your Committee is \$260,365.59. Timely passage of this measure will minimize the State’s obligation to pay interest on those amounts.

Your Committee notes the written testimony submitted by Department of the Attorney General, which requests the addition of two new claims that have been resolved since this measure was introduced. These two additions require a total of \$423,285.13 in appropriations from the general fund.

Your Committee has amended this measure by adding general fund appropriations for two settlement claims totaling \$423,285.13 to this measure, as requested by the Department of the Attorney General, which increases the grand total amount of appropriations in this measure to \$683,650.72 in order to satisfy a total of nine claims against the State, its officers, or its employees.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2246, 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 (Slom). Noes, none. Excused, 2 (Gabbard, Solomon).

**SCRep. 2041 Commerce and Consumer Protection on S.B. No. 2076**

The purpose and intent of this measure is to clarify that the intent to deprive another of property, under the offense of unlicensed contractor fraud, may be formed before or after a person obtains or exerts control over the property of another.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, City and County of Honolulu Department of the Prosecuting Attorney, and Contractors License Board.

Your Committee finds that under existing law, the offense of unlicensed contractor fraud requires a person’s intent to deprive to exist while engaged in unlicensed contractor activities. However, the law is unclear whether that intent must also exist before that person obtains control over a victim’s property.

Your Committee further finds that this measure removes this ambiguity by clarifying that the intent to deprive may be formed before or after a person obtains control over the victim’s property, provided that the person is engaged in unlicensed contractor activities at that time. Your Committee additionally finds that this measure will assist law enforcement efforts to prosecute the offense of unlicensed contractor fraud.

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. 2076 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2042 Commerce and Consumer Protection on S.B. No. 2825**

The purpose and intent of this measure is to amend Hawaii’s Mortgage Rescue Fraud Prevention Act by:

- (1) Clarifying the definition of “distressed property consultant”; and

- (2) Specifying that only attorneys licensed to practice law in the State of Hawaii are exempt from the definition of “distressed property consultant”.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs and Hawaii Credit Union League.

Your Committee finds that the amendments in this measure pertaining to the definition of “distressed property consultant” will assist the Office of Consumer Protection’s enforcement of the Mortgage Rescue Fraud Prevention Act, codified as chapter 480E, Hawaii Revised Statutes, against all persons who were involved in a mortgage rescue scheme.

Your Committee further finds that persons who have provided services to distressed property owners have attempted to evade compliance with chapter 480E, Hawaii Revised Statutes, by claiming they are not distressed property consultants or that they fall under the chapter’s attorney exemption because they are, or performed services in connection with, out-of-state attorneys. This measure makes it clear that only attorneys licensed to practice law in the State of Hawaii fall under the attorney exemption in chapter 480E, Hawaii Revised Statutes, ensures compliance with federal regulations, and ensures that all attorneys performing distressed property consulting in the State are subject to the Hawaii Rules of Professional Conduct.

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. 2825 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2043 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2192**

The purpose and intent of this measure is to require medical facilities, prior to filing for bankruptcy, to inform all current and former patients by written notice that they are entitled to a copy of their medical records at no charge and to provide a paper or electronic copy of the medical records within thirty or sixty days after the request depending upon the location of the records.

Your Committees received testimony in support of this measure from two individuals.

Your Committees find that since individuals are responsible for decisions respecting their own health care, they should possess a concomitant right of access to complete information respecting their condition and care provided. Your Committees further find that individuals should not have to endure a long and expensive process to obtain medical records after a medical facility declares bankruptcy. This measure will help ensure that medical records are readily available to patients and new care providers.

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. 2192 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

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

**SCRep. 2044 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2352**

The purpose and intent of this measure is to require:

- (1) The attending physician, in addition to the administrator, of a psychiatric facility to provide notice of intent to discharge a patient or notice of a patient’s admission to voluntary treatment;
- (2) The notice of intent to discharge a patient or notice of a patient’s admission to voluntary treatment to be sent only for civil commitments as a direct result of legal proceedings;
- (3) Notice to be served by mail at the person’s last known address;
- (4) Persons entitled to receive notice to be allowed to waive the right in writing with the psychiatric facility; and
- (5) Courts to conduct hearings within seventy-two hours, and prior to the termination of a current commitment, to determine if the patient still meets the criteria for involuntary hospitalization.

Your Committees received testimony in support of this measure from the Department of Health; Department of the Prosecuting Attorney, City and County of Honolulu; Healthcare Association of Hawaii; Hawaii Association of Professional Nurses; The Queen’s Health Systems; E Malama Kakou; and Hawaii Pacific Health. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Judiciary, State of Hawaii and Hawaii Health Systems Corporation.

Your Committees find that patients are remaining involuntarily committed to hospitals due to the difficulty of obtaining a court hearing and order, even after the patient is ready to be discharged. Your Committees further find that while these patients remain involuntarily committed, hospitals are forced to use precious resources that could serve other patients in need. This measure streamlines the notification process prior to discharge of a patient civilly committed pursuant to criminal statutes, thereby allowing for a simplified discharge process, while safeguarding the right of individuals who require notification of the patients’ discharge to object.

Your Committees have amended this measure by:

- (1) Expanding the notice requirements to apply to all civil commitments as a direct result of legal proceedings under chapters 704 and 706, Hawaii Revised Statutes; and
- (2) Requiring notice to be served on the appropriate prosecuting attorney in addition to persons entitled to receive notice pursuant to the order of commitment.

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. 2352, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2352, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

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

**SCRep. 2045 Commerce and Consumer Protection on S.B. No. 2250**

The purpose and intent of this measure is to:

- (1) Require certain disclosures on collection boxes by for-profit and nonprofit organizations;
- (2) Facilitate electronic registration and reporting by registered professional solicitors;
- (3) Clarify existing law regulating charitable sales promotions by commercial co-venturers; and
- (4) Make other technical or housekeeping amendments to chapter 467B, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that this measure provides greater protections for consumers and donors by requiring new disclosure requirements at collection bins operated by for-profit and nonprofit organizations. This measure also facilitates the Attorney General's transition to electronic registration systems and provides greater clarity to registered charitable organizations, commercial co-venturers, and professional solicitors.

Your Committee further finds that all professional solicitors are for-profit entities or enterprises; therefore, the amendment in this measure to the definition of "professional solicitor" is not necessary. Your Committee additionally finds that the Attorney General is not authorized under section 467B-2.5, Hawaii Revised Statutes, to grant extensions for filing of financial reports; therefore, language in this measure granting such extensions is also unnecessary.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that professional solicitors shall be classified as for-profit organizations for the purposes of collection box disclosures;
- (2) Deleting language that would have amended the definition of "professional solicitor";
- (3) Deleting language referring to an extension of time for filing of financial reports;
- (4) Clarifying that the fine of \$20 for failure to file a financial report shall be imposed for each day during which the violation occurs or continues; and
- (5) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2250, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2046 Judiciary and Labor on S.B. No. 2026**

The purpose and intent of this measure is to prohibit the slaughtering or trafficking of dogs or cats for human consumption.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, The Humane Society of the United States, Hawaiian Humane Society, Hawaii Cattlemen's Council, Oahu Society for the Prevention of Cruelty to Animals, West Hawaii Humane Society, and thirty individuals.

Your Committee finds that despite the enactment of several animal cruelty offenses in Hawaii, local humane societies, law enforcement agencies, and animal protection groups continue to receive reports of dogs and cats being trafficked or slaughtered for human consumption. Some of these cases involved dogs and cats that were stolen or lost or acquired via online advertisements. Unlike existing federal and state laws that regulate farm animals that are bred and sold for consumption, the United States Department of Agriculture and Hawaii Department of Agriculture do not recognize or regulate the slaughter or sale of dogs and cats for human consumption. This measure strengthens Hawaii's animal cruelty laws by creating the offense of cruelty to animals by slaughtering or trafficking dogs or cats for human consumption.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of the Prosecuting Attorney of the City and County of Honolulu that amends the definition of “pet animal” under chapter 711, Hawaii Revised Statutes, to apply to any dog or cat rather than only dogs or cats that are not bred for consumption; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2026, 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 (Solomon).

**SCRep. 2047      Judiciary and Labor on S.B. No. 2072**

The purpose and intent of this measure is to specify the manner of serving a summons within the State for a civil action.

Your Committee received testimony in support of this measure from the Department of Public Safety, Hawaii Financial Services Association, Hawaii Bankers Association, Hawaii Credit Union League, and Collection Law Section of the Hawaii State Bar Association.

Your Committee finds that a summons is a notice that is attached to a civil complaint filed by a plaintiff against a defendant. A summons will either require a defendant to file a written answer to the complaint within twenty days after service of the summons or appear in court on a date and time specified to answer the complaint. However, service of process laws do not provide for the service of a summons by certified, registered, or express mail in all types of civil actions when the defendant cannot be personally served. This measure provides a comprehensive and consistent approach for service of summons in these situations by specifying the manner of serving a summons within the State for a civil action, thereby ensuring that the due process rights of the defendants and the interests of the plaintiffs are satisfied in a timely and accountable manner.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2072 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 (Solomon).

**SCRep. 2048      Judiciary and Labor on S.B. No. 2128**

The purpose and intent of this measure is to:

- (1) Provide guidelines and limitations for the post-conviction retention of biological evidence by the police, prosecuting attorney, laboratories, or courts; and
- (2) Establish procedures for agencies to dispose of retained evidence and for defendants to file objections to proposed disposals.

Your Committee received testimony in support of this measure from the Judiciary, Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, Office of the Prosecuting Attorney of the County of Kauai, Police Department of the County of Hawaii, Police Department of the County of Maui, Police Department of the County of Kauai, and the Police Chiefs of Hawaii Association. Testimony in opposition to this measure was submitted by the Office of the Public Defender and Community Alliance on Prisons.

Your Committee finds that the existing law regarding the retention of biological evidence is broad and requires agencies to retain all evidence that may contain biological evidence in any case that results in a conviction regardless of whether the biological evidence is relevant to the case. Testimony submitted in support of this measure indicates that the existing requirements for the retention of biological evidence have caused storage problems statewide. This measure establishes reasonable guidelines for the retention of post-conviction biological evidence to address statewide evidence storage issues while preserving a defendant’s ability to file objections to a proposed disposal of biological evidence.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2128 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; Ayes with Reservations (Ihara, Shimabukuro). Noes, none. Excused, 1 (Solomon).

**SCRep. 2049      Commerce and Consumer Protection on S.B. No. 2465**

The purpose and intent of this measure is to require psychologists in the State to complete a minimum of eighteen credit hours of continuing education courses during each licensing renewal biennium, beginning July 1, 2016.

Your Committee received testimony in support of this measure from the Board of Psychology; National Association of Social Workers, Hawai‘i Chapter; Hawai‘i Psychological Association; Hawaii Medical Association; and five individuals. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that Hawaii is one of only six jurisdictions that do not currently require continuing education credits for psychologists. Because psychology is a science, the field of psychology is constantly transforming and developing. It is therefore

essential that psychologists continue to stay current with emergent practices and knowledge in the psychology profession throughout their careers.

Your Committee further finds that the continuing education requirements in this measure will ensure that licensed psychologists in Hawaii maintain their professional competency and keep abreast of the latest developments in the field of psychology.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2465, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2050 Commerce and Consumer Protection on S.B. No. 2466**

The purpose and intent of this measure is to require licensed marriage and family therapists in Hawaii to complete a minimum of forty-five credit hours of continuing education courses during each licensing renewal triennium, beginning January 1, 2017.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs; National Association of Social Workers, Hawai'i Chapter; and twenty individuals.

Your Committee finds that Hawaii is one of only two states that do not currently require continuing education credits for licensed marriage and family therapists. Continuing education ensures that licensed marriage and family therapists have access to best practices and innovations in the marriage and family therapy field and can continue to provide quality services to a wide array of clients. Your Committee finds that the continuing education requirements in this measure will therefore ensure that licensed marriage and family therapists in Hawaii maintain their professional competency and keep abreast of the latest developments in the marriage and family therapy profession.

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. 2466 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 (Nishihara).

**SCRep. 2051 Agriculture on S.B. No. 2110**

The purpose and intent of this measure is to appropriate funds to the Department of Agriculture to hire an additional three inspector positions to oversee and regulate pesticide use in Hawaii.

Your Committee received testimony in support of this measure from the Department of Agriculture; County of Kauai; Maui County Council; Kauai County Council; Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau Federation; Babes Against Biotech; Environmental Caucus of the Democratic Party of Hawaii; DuPont Pioneer; and three individuals. Your Committee received testimony in opposition to this measure from Hawaii Crop Improvement Association, Maui County Farm Bureau, and one individual. Your Committee received comments on this measure from four individuals.

Your Committee finds that pesticide use regulation is a major concern for Hawaii residents and affects the public health, safety, and welfare of Hawaii residents. Unfortunately, due to the recent fiscal crisis and a significant budgetary shortfall, the State eliminated key personnel positions needed to regulate pesticide use in 2010. As a consequence, the remaining inspectors are too overworked to ensure that the minimum standards for pesticide use are met. It is vital that pesticide use inspector positions be restored so that pesticide use is properly regulated in the State.

Accordingly, your Committee has amended this measure by:

- (1) Appropriating the funds for the additional pesticide use inspector positions from the pesticide use revolving fund, rather than the general fund;
- (2) Changing the effective date to July 1, 2014, to coincide with the beginning of the fiscal year; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2110, 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, Wakai).

**SCRep. 2052 Energy and Environment on S.B. No. 2179**

The purpose and intent of this measure is to prohibit any declaration, bylaws, or binding agreement from preventing a person who owns a unit in a condominium structure of not more than three stories in height from installing a solar energy device.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association and Blue Planet Foundation. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that clean energy choices are not fairly and equally accessible to those who live in low-rise condominiums. Homeowners living in condominiums under control of a homeowner's association who are interested in installing a solar energy device may be stalled due to the potential conflict with their homeowner's association. In order to allow more people to participate in Hawaii's clean energy future, barriers need to be removed and rules set in place to allow Hawaii residents to install clean energy technologies.

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. 2179 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 (Ihara, Slom).

**SCRep. 2053 (Joint) Energy and Environment and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2182**

The purpose and intent of this measure is to:

- (1) Clarify that the solid waste management surcharge applies to solid waste shipped outside the State for disposal;
- (2) Clarify that the solid waste management structure applies to solid waste disposed of at waste-to-energy facilities; and
- (3) Increase the solid waste management surcharge using a tiered structure commensurate with the impact of the means of disposal on the Department of Health.

Your Committees received testimony in support of this measure from the Department of Health and City and County of Honolulu Department of Environmental Services. Your Committees received testimony in opposition to this measure from the Building Industry Association of Hawaii, The Chamber of Commerce of Hawaii, and General Contractors Association of Hawaii.

Your Committees find that two major issues face the solid waste regulatory program: the need for additional funding and addressing the evolving waste management field and its changing technologies. In 2013, the solid waste regulatory program oversaw the management of over two million tons of waste, managed nearly two hundred complaints, issued nearly one hundred warning letters and nine enforcement actions, and responded to over nine hundred public inquiries. Despite a growing workload for the program, however, the solid waste management surcharge, the program's primary funding source, has not increased in over sixteen years.

Your Committees further find that there are waste-to-energy facilities that are proposing to use new technologies to which the current solid waste management surcharge does not apply. Modifications to the surcharge are necessary since these facilities are permitted and regulated by the solid waste program.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2182 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.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2054 (Joint) Energy and Environment and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2111**

The purpose and intent of this measure is to require new duplexes to include a solar water heater system in order to receive a building permit and clarify that gas variance requirements apply only to the ultimate occupant of the dwelling unit.

Your Committees received testimony in support of this measure from the Hawaii Solar Energy Association and Blue Planet Foundation. Your Committees received testimony in opposition to this measure from Hawaii Gas and one individual. Your Committees received comments on this measure from two individuals.

Your Committees find that the installation of solar water heaters on new single-family and duplex homes is one of the most cost-effective and efficient ways to remove Hawaii's families' dependence on fossil fuels. A conventional electric water tank accounts for thirty to thirty-five percent of a household's electric bill. It is estimated that by relying on the sun for ninety percent of a household's hot water demand, a family could save enough money to pay for the solar water heater system in three to five years.

Your Committees further find that in 2008 the Legislature passed Act 204, Session Laws of Hawaii 2008, requiring solar water heaters on new single-family homes. However, Act 204 allows variances, such as for tankless gas water heaters, under vague and unjustified circumstances such that the purpose of Act 204 is being thwarted in many instances.

Your Committees have amended this measure by:

- (1) Deleting language to allow a variance application for a demand water heater device to be accepted only if submitted by an architect or mechanical engineer who attests that the demand water heater device is installed;
- (2) Deleting language that would have established a gas variance if the applicant met certain conditions;
- (3) Inserting language to establish a gas variance on the basis of the home having a gas-tankless instantaneous water heater only if:

- (A) The water heater has been approved by Underwriters Laboratories, Inc.;
  - (B) The applicant signs an affidavit that the applicant has read a flyer issued by the Department of Business, Economic Development, and Tourism showing the life cycle costs comparisons of a solar water heater and a gas-tankless instantaneous water heater; and
  - (C) The applicant will be the buyer of the new dwelling unit; and
- (4) 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 Energy and Environment and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2111, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2111, S.D. 1, and be referred to the Committee on Economic Development, Government Operations and Housing.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2055 Energy and Environment on S.B. No. 2651**

The purpose and intent of this measure is to establish fines beginning January 1, 2015, for owners of places of public accommodation with at least one hundred parking spaces that do not provide at least one parking space exclusively for electric vehicles and equipped with a charging system.

Your Committee received testimony in support of this measure from the Hawaiian Electric Vehicle Network, Big Island Electric Vehicle Association, Maui Electric Vehicle Alliance, Oponnect Hawaii, Electrical Solutions Company, and eleven individuals. Your Committee received testimony in opposition to this measure from the County of Maui Office of Economic Development and Maui County Department of Parks and Recreation. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism and three individuals.

Your Committee finds that Act 89, Session Laws of Hawaii 2012, requires places of public accommodation that have more than one hundred parking stalls open to the public to have one parking space exclusively for an electric vehicle and be equipped with an electric vehicle charger. However, many businesses have failed to comply with Act 89. Enforcement, including penalties and procedures, need to be in place to ensure that electric vehicle owners have a parking space available that can also charge their vehicles.

Your Committee has amended this measure by:

- (1) Applying the requirements of this measure to owners of parking facilities instead of owners of places of public accommodation;
- (2) Amending the penalty amounts and deleting language that would have created subsequent violations every thirty days;
- (3) Inserting language to allow an owner of a parking facility to comply within 120 days after a violation to avoid being cited for another violation; and
- (4) Deleting the definition of "place of public accommodation" and inserting language that defines "parking facility".

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. 2651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2651, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2056 (Majority) Energy and Environment on S.B. No. 2685**

The purpose and intent of this measure is to impose a surcharge of \$1 per tire on any tire retailer or wholesaler who installs a replacement tire on a motor vehicle in the State after September 30, 2014.

Your Committee received testimony in opposition to this measure from the Hawaii Automobile Dealers Association and one individual. Your Committee received comments on this measure from the Department of Health and Tax Foundation of Hawaii.

Your Committee finds that discarded motor vehicle tires continue to blight Hawaii's neighborhoods, particularly in rural and isolated areas. With the repeal of the motor vehicle tire surcharge, the Department of Health lost a vital source of funding to promote tire recovery and prevent illegal dumping, and the subsequent personnel and operating budget cuts have made it difficult to address this critical issue. Re-establishing the surcharge will not prevent current improper tire disposal practices, but coupled with monitoring and enforcement from the Department of Health, the surcharge may help county governments and community groups alleviate the situation.

Your Committee has amended this measure by:

- (1) Inserting language to establish a special account within the environmental management fund into which shall be deposited revenues generated from the motor vehicle tire surcharge;

- (2) Inserting language to require funds from the special account to be used for county or county-sponsored tire recycling programs;
- (3) Inserting language related to administrative procedures for the distribution of funds from the special account for tire recycling; and
- (4) 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2685, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2685, 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 (Ihara).

**SCRep. 2057 (Joint) Energy and Environment and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2920**

The purpose and intent of this measure is to establish and appropriate funds for a little fire ant pilot project to research solutions for addressing the little fire ant threat in Hawaii.

Your Committees received testimony in support of this measure from the Hawai'i County Council, Oahu Invasive Species Committee, Hawaii Farm Bureau, Maui Invasive Species Committee, Pacific Biodiesel Technologies, and one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources, Department of Agriculture, Nature Conservancy of Hawaii, and Hawaii Pest Control Association.

Your Committees find that the *Wasmannia auropunctata*, known as the little fire ant, threatens native biodiversity, alters tropical ecosystems, impairs human health, impedes tourism, diminishes agricultural productivity, mars horticulture sales, and accordingly ranks among the world's worst invasive species. Human behaviors and habitats allow the little fire ant to move quickly, disperse widely, grow to high densities, and inhabit locations not otherwise possible. Hawaii's tropical climate is ideally suited for little fire ant establishment and growth. As of 2013, the little fire ant has been recorded on the islands of Kauai, Maui, Oahu, and Hawaii.

Your Committees further find that research is needed to assess the long-term impacts of little fire ants in Hawaii and to ascertain the economic and social benefit from greater public investment in prevention and control.

Your Committees note and concur with the testimony of the Department of Land and Natural Resources expressing support for this measure, provided that this measure does not replace or adversely impact appropriations for other priorities in the executive budget supplemental request related to invasive species.

Your Committees also find that the issue on whether this measure constitutes special legislation raises concerns that merit further consideration and request that your Committee on Ways and Means further examine this issue to determine whether a grant-in-aid to the County of Hawaii or other means of financing for the little fire ant pilot project would be more appropriate.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2920, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2920, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2058 Judiciary and Labor on S.B. No. 2118**

The purpose and intent of this measure is to:

- (1) Require a candidate who exceeds the voluntary expenditure limit to notify the Office of Elections instead of the Chief Election Officer, among other persons, by telephone and writing on the day the expenditure limit is exceeded;
- (2) Repeal the requirement that candidates provide notice to all contributors within thirty days of exceeding the voluntary expenditure limit and that contributions to the candidate no longer qualify for a state income tax deduction; and
- (3) Repeal the law that allows a Hawaii resident to claim a state income tax deduction for contributions to a candidate who files an affidavit agreeing to limit expenditures and does not exceed the voluntary expenditure limit.

Your Committee received testimony in support of this measure from the Office of Elections and Campaign Spending Commission.

Your Committee finds that this measure makes housekeeping amendments to be consistent with existing campaign finance laws. Requiring candidates who exceed their voluntary expenditure limits to notify the Office of Elections instead of the Chief Election Officer is consistent with the existing requirement that a candidate notify the Campaign Spending Commission rather than the Commission's executive director. Furthermore, Act 59, Session Laws of Hawaii 2010, repealed the state income tax deduction for persons who made contributions to a candidate who agreed to abide by expenditure limits. Thus, repealing the requirements relating to this state income tax deduction updates existing campaign finance laws accordingly.



As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2118 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 (Gabbard, Solomon).

**SCRep. 2059 (Majority) Judiciary and Labor on S.B. No. 2609**

The purpose and intent of this measure is to:

- (1) Increase the minimum wage rate to:
  - (A) \$8.20 per hour beginning on January 1, 2015;
  - (B) \$9.15 per hour beginning on January 1, 2016; and
  - (C) \$10.10 per hour beginning on January 1, 2017;
- (2) Repeal the tip credit;
- (3) Authorize the Department of Labor and Industrial Relations to adjust the minimum hourly wage to the nearest 5 cents based on the Honolulu region consumer price index beginning on September 30, 2017, and on September 30 of each year thereafter to take effect on the following January 1; and
- (4) Require that if the adjustment based on the Honolulu region consumer price index results in a lower minimum wage rate, the minimum wage rate will not decrease and remain at the most recently established minimum wage rate.

Your Committee received testimony in support of this measure from the Office of the Governor; Department of Labor and Industrial Relations; Department of Human Services; Hawaii State Commission on the Status of Women; Democratic Party of Hawaii; Pacific Alliance to Stop Slavery; International Brotherhood of Boilermakers Local 627 Hawaii; Hawaii Catholic Conference; League of Women Voters of Hawaii; Inlandboatmen's Union of the Pacific, Hawaii Region; HPBS, Inc.; Catholic Charities Hawaii; Seafarers International Union; Hawaii State AFL-CIO; University of Hawaii Professional Assembly; Hawaii Regional Council of Carpenters; International Organization of Masters, Mates and Pilots; Hawaii Ports Maritime Council; PHOCUSED; Marine Engineers' Beneficial Association, AFL-CIO; United Public Workers, AFSCME Local 646, AFL-CIO; Americans for Democratic Action/Hawaii; Screen Actors Guild – American Federation of Television and Radio Artists, Hawaii Local; International Longshore and Warehouse Union Local 142; Hawaii Alliance for Community-Based Economic Development; Community Alliance on Prisons; Pride At Work Hawaii; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Partners In Care; Hawaii Appleseed Center for Law and Economic Justice; UNITE HERE Local 5; Sailors Union of the Pacific; Asian Pacific American Labor Alliance, AFL-CIO; Kauai Community Alliance; Marine Firemen's Union, Honolulu Branch; Progressive Democrats of Hawaii; National Association of Social Workers, Hawaii Chapter; Hawaii Primary Care Association; Hawaiian Community Assets; Citizens for Equal Rights; Women's Caucus of the Democratic Party of Hawaii; Labor Caucus of the Democratic Party of Hawaii; Dr. Martin Luther King, Jr. Coalition Hawaii; Life of the Land; Hawaii Women's Coalition; Rainbow Family 808; Gay, Lesbian, Bisexual, and Transgender Caucus of the Democratic Party of Hawaii; Honolulu Pride; Ironworkers Stabilization Fund; Hawaii Alliance for Retired Americans; and forty-seven individuals.

Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association; National Federation of Independent Business Hawaii; Hawaii Petroleum, Inc.; The Chamber of Commerce of Hawaii; R&R Restaurants, Inc.; TS Restaurants; Hula Grill; Keoki's Paradise; Duke's Canoe Club Kauai; Duke's Beach House Maui; Kimo's Restaurant; Leilani's on the Beach; Duke's Canoe Club Waikiki; Times Supermarket; Smart Business Hawaii; Hawaii Restaurant Association; Island Princess; Foodland Supermarket Ltd.; Food Pantry Ltd.; Coffee Pacific LLC; and five individuals.

Your Committee received comments on this measure from the Hawaii State Teachers Association and one individual.

MINIMUM WAGE INCREASE

Your Committee finds that the minimum wage rate in Hawaii was last amended in 2007 and has remained at \$7.25 per hour for the last seven years. The Department of Labor and Industrial Relations testified that the average weekly earnings have increased sixteen percent since 2007, but zero percent for minimum wage workers. In comparison, as of January 1, 2014, twenty other states have higher minimum wage rates than Hawaii's rate, including Washington with the highest minimum wage rate in the nation at \$9.32 per hour.

According to the United States Census Bureau, Hawaii's poverty rate of 17.3 percent makes Hawaii the ninth poorest state in the nation. A single parent with one child with a minimum wage job earns \$15,080 per year, if this individual works forty hours per week for fifty-two weeks per year. This is \$2,770 or sixteen percent below the 2013 federal poverty guidelines for a family of two. As a result, many families earning wages at or below the minimum wage rate receive various types of public assistance, including food stamps, Medicaid, and free or reduced priced school meals for children. A study indicates that economists on both sides of the issue agree that raising the minimum wage reduces poverty.

Furthermore, the Department of Labor and Industrial Relations testified that since 2002, the minimum wage rate has increased four times and on each of these occasions, the number of jobs increased by an average of 2.2 percent over the next twelve months after the minimum wage rate increased. For example, a total of fifteen thousand seven hundred jobs were added to Hawaii's economy twelve months following the minimum wage increase in 2002 and a total of fifteen thousand jobs were added in the twelve months following the minimum wage increase in 2006.

Therefore, by raising the minimum wage rate by 95 cents per year for the next three years to achieve a minimum wage rate of \$10.10 per hour beginning January 1, 2017, this measure will boost the State's economy, improve the quality of life for minimum wage workers, and increase the number of jobs available.

Your Committee recognizes the written testimony submitted in opposition to this measure that increasing Hawaii's minimum wage rate in 95-cent increments over a three year period may pose a financial burden on businesses. However, your Committee notes that the United States Senate is currently deliberating a measure that proposes to raise the federal minimum wage rate to \$10.10 per hour over the span of three years. Furthermore, during the State of the Union Address on January 27, 2014, President Obama stated his intention to use his executive power to increase the minimum wage rate to \$10.10 per hour for workers on new government contracts. Thus, raising the minimum wage rate to \$10.10 per hour for Hawaii would mirror the changes proposed in the federal minimum wage rate.

#### MINIMUM WAGE ADJUSTED BASED ON THE CONSUMER PRICE INDEX

Your Committee finds that the low minimum wage rate is exacerbated by Hawaii's high cost of living. According to the Missouri Economic Resource and Information Center, Hawaii continues to have the highest cost of living as of the third quarter of 2013. However, the lack of increase in Hawaii's minimum wage fails to correlate with Hawaii's rising cost of living. Furthermore, according to the Massachusetts Institute of Technology's minimum wage calendar for the City and County of Honolulu, the minimum wage rate should be \$12.91 for a single individual and \$25.83 for a single parent with one child. However, Hawaii's existing minimum wage rate remains at \$7.25 per hour.

The Department of Labor and Industrial Relations testified that of the twenty states that have a higher minimum wage rate than Hawaii, thirteen of these states index their minimum wage rate to inflation so that the real value of the minimum wage does not fall every year. For example, Washington's minimum wage rate at \$9.32 per hour is twenty-nine percent higher than Hawaii's minimum wage rate, but Washington's cost of living is fifty-five percent lower than Hawaii's cost of living.

Your Committee notes the written testimony in opposition to this measure that indicate that adjusting the minimum wage rate based on a price index may cause difficulties for businesses to create budgets in advance because the price index is unpredictable. However, your Committee strongly believes that adjusting the minimum hourly wage to the nearest 5 cents based on the Honolulu region consumer price index will more accurately reflect Hawaii's economic changes, provide a mechanism to keep up with the cost of inflation, provide employers with more predictable and gradual increases in the minimum wage rate over time, and avoid continual review by the Legislature. Furthermore, this measure requires that if the adjustment based on the Honolulu region consumer price index results in a lower minimum wage rate, the minimum wage rate will not decrease and remain at the most recently established minimum wage rate. Thus, this requirement preserves the purchasing power of minimum wage workers and helps to lift minimum wage workers and their families out of poverty.

#### REPEAL OF THE TIP CREDIT

Your Committee finds that the tip credit has made Hawaii's service industry workers particularly vulnerable due to the varying levels of customer tips, which supplement wages that are lower than the minimum wage rate. According to the Department of Labor and Industrial Relations, the average tip worker in Hawaii earns approximately \$9.87 per hour including tips and that tipped workers are more likely to live under the federal poverty guidelines. This measure repeals the tip credit to treat all workers equally.

Your Committee notes that written testimony was submitted which opposed the repeal of the tip credit and instead proposed that the tip credit be increased. However, data submitted to your Committee indicates that participation by employers is low enough that no undue harm will result in the elimination of the tip credit.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2609 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 (Slom). Excused, 1 (Ihara).

#### **SCRep. 2060      Judiciary and Labor on S.B. No. 2120**

The purpose and intent of this measure is to exempt contributions from a candidate's immediate family members from the law relating to contribution limits instead of the law that prohibits contributions from state and county contractors.

Your Committee received testimony in support of this measure from the Campaign Spending Commission.

Your Committee finds that this measure conforms the law relating to campaign contributions by a candidate's immediate family to the campaign finance laws prior to the codification of Act 211, Session Laws of Hawaii 2010.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2120 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, Solomon).

#### **SCRep. 2061      Judiciary and Labor on S.B. No. 2249**

The purpose and intent of this measure is to conform the agency meeting agenda requirements under the Sunshine Law for proposed administrative rulemaking to the agency meeting agenda requirements under administrative rulemaking laws.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of Business, Economic Development, and Tourism; and Office of Information Practices.

Your Committee finds that the laws relating to administrative rulemaking require an agency to give public notice of any proposed adoption, amendment, or repeal of administrative rules. When the agency is a board that is subject to the Sunshine Law under chapter 92, Hawaii Revised Statutes, and wishes to discuss the proposed rules during a public meeting, the board is also required to follow the public notice requirements under the Sunshine Law.

As the Office of Information Practices notes in testimony, the notice requirements under administrative rulemaking laws and the notice requirements under the Sunshine Law rely upon different assumptions. Notice requirements under administrative rulemaking laws focus on providing the public with information on how to obtain or view the text of the proposed adoption, amendment, or repeal of administrative rules and therefore require only general descriptions of the topic of the proposed rule adoption, amendment, or repeal in the agenda. On the other hand, notice requirements under the Sunshine Law imply that the agenda itself must provide notice of all necessary information because the reader is not assumed to have access to additional information, such as the actual text of the proposed adoption, amendment, or repeal of administrative rules. To prevent challenges of not satisfying notice requirements under the Sunshine Law, some agencies have been attaching the entire text of their proposed rules to the agenda, creating a burden on public agencies and frustrating the purpose of a meeting agenda.

This measure is necessary to enable the satisfaction of notice requirements under administrative rulemaking laws to also satisfy notice requirements under the Sunshine Law for agenda items relating to administrative rulemaking.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2249, 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 (Gabbard, Solomon).

**SCRep. 2062 Judiciary and Labor on S.B. No. 2253**

The purpose and intent of this measure is to:

- (1) Create the offense of refusal or failure to provide specimen for forensic identification in the second degree as a misdemeanor for the negligent or reckless refusal or failure to provide a specimen for forensic identification; and
- (2) Amend the offense of refusal or failure to provide specimen for forensic identification under section 844D-111, Hawaii Revised Statutes, by:
  - (A) Changing the name of the offense to refusal or failure to provide specimen for forensic identification in the first degree; and
  - (B) Grading the offense as a class C felony for the intentional or knowing refusal or failure to provide a specimen for forensic identification.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Public Safety, Police Department of the County of Maui, and Police Department of the City and County of Honolulu.

Your Committee finds that all individuals who are convicted of a felony offense are required to submit DNA samples for the purpose of establishing a DNA database that can be used to solve crimes, including cold cases, and exonerate the innocent. Under existing law, if a convicted felon refuses to provide a DNA sample, the only mechanism to obtain compliance is the threat of being prosecuted for a negligent or reckless violation of the offense of refusal or failure to provide specimen for forensic identification under section 844D-111, Hawaii Revised Statutes. By establishing two separate offenses and grades of penalties for the failure or refusal to comply with forensic identification requirements, this measure will allow for more effective enforcement of DNA sample collection requirements.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2253, 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 (Gabbard, Solomon).

**SCRep. 2063 (Joint) Agriculture and Higher Education on S.B. No. 2455**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii College of Tropical Agriculture and Human Resources to operate and implement the 4-H program.

Your Committees received testimony in support of this measure from the Department of Agriculture; University of Hawaii College of Tropical Agriculture and Human Resources; Hawaii Cattlemen's Council, Inc.; 4 Ag Hawaii; Hawaii Farm Bureau Federation; and one individual.

Your Committees find that cultivating a new generation of farmers and ranchers is vital to Hawaii's agricultural economy and sustainability. The 4-H program works directly with volunteer farmers and ranchers to inspire youth to pursue agricultural endeavors and to become future leaders in the agricultural industry. Accordingly, supporting the 4-H program is vital to the State's future.

Your Committees believe that an appropriation of approximately \$120,000 would be necessary for the University of Hawaii to broaden the reach and impact of the 4-H program in various communities of each county.

As affirmed by the records of votes of the members of your Committees on Agriculture and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2455 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.

Agriculture

Ayes, 6. Noes, none. Excused, 1 (Wakai).

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

**SCRep. 2064 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2021**

The purpose and intent of this measure is to:

- (1) Establish the offense of resisting arrest in the first degree for a person who intentionally prevents a law enforcement officer from effecting an arrest by either removing or attempting to remove a firearm from the law enforcement officer; and
- (2) Amend the existing resisting arrest misdemeanor offense to resisting arrest in the second degree.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Police Department, City and County of Honolulu; Police Department, County of Hawaii; and Police Department, County of Maui.

Your Committee finds that law enforcement officers face inherent dangers during arrest situations. For example, when an offender attempts to or succeeds in removing a law enforcement officer's firearm to facilitate an arrest, the public and law enforcement officers are at great risk for serious injury or death. However, Hawaii's existing penal code does not adequately address these dangerous situations. Your Committee finds that establishing the offense of resisting arrest in the first degree and amending the existing arrest misdemeanor offense to resisting arrest in the second degree will have long-term deterrent effects, as well as create a safer working environment for law enforcement officers and the public.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2021 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 2065 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2258**

The purpose and intent of this measure is to protect liquor commission investigators engaged in the performance of their duties by establishing knowingly or intentionally causing bodily injury to liquor commission investigators while performing their job duties as assault in the second degree.

Your Committee received testimony in support of this measure from the Liquor Commission, City and County of Honolulu; Department of Liquor Control, County of Hawaii; and Department of Liquor Control, County of Kauai.

Your Committee finds that similar to other public safety individuals, liquor commission investigators often work in environments where there is a risk of assault. As liquor commission investigators frequently work alone in alcohol-fueled environments, your Committee finds it necessary to include liquor commission investigators who are performing their job duties in the class of public safety persons protected from the offense of assault in the second degree.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2258 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 2066 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2309**

The purpose and intent of this measure is to appropriate funds for the establishment and implementation of a residential reentry facility and day reporting program for criminal offenders, including offenders in the work furlough program.

Your Committee received testimony in support of this measure from the Department of Public Safety and Hawaii Substance Abuse Coalition. Your Committee received comments on this measure from the City and County of Honolulu Department of the Prosecuting Attorney.

Your Committee finds that the State has an extensive problem with recidivism and prison capacity. Reentry programs house offenders in transitional environments while they learn to reengage with the community and learn how to confront the many obstacles in their path to successful reintegration. To alleviate the State's problems with recidivism and to meet the needs of adult offenders, this

measure appropriates funds for the Department of Public Safety to establish and implement a residential reentry facility and day reporting program for criminal offenders, including offenders in the work furlough program.

Your Committee has amended this measure by:

- (1) Adding language to the purpose section to clarify that offenders in the work furlough program may be residents of the reentry facility and day reporting program;
- (2) Adding language to authorize the issuance of general obligation bonds and amending the source of funding to general obligation bond proceeds; 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2309, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2309, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 2067 (Joint) Public Safety, Intergovernmental and Military Affairs and Human Services on S.B. No. 2310**

The purpose and intent of this measure is to give immediate notice of escape of a prisoner who is a domestic violence offender to each victim of the domestic violence and individuals protected by a restraining order against the escapee.

Your Committees received testimony in support of this measure from the Department of Public Safety, Domestic Violence Action Center, and one individual. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Department of the Prosecuting Attorney.

Your Committees find that an escaped prisoner may return to the residence of one or more victims. If a domestic violence victim or an individual protected by a restraining order is able to receive notice of the escape, it will assist the individual in seeking safety.

Your Committees have amended this measure by:

- (1) Adding language requiring the Department of Public Safety to work with county victim assistance offices to give notice to victims; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental 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. 2310, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2310, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

Human Services  
Ayes, 3; Ayes with Reservations (Taniguchi). Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2068 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2367**

The purpose and intent of this measure is to:

- (1) Clarify persons or businesses that may be served criminal process under Hawaii law;
- (2) Specify circumstances under which certain persons or businesses located in Hawaii may be served criminal process issued by or in another state; and
- (3) Specify information the service of process issued by or in another state must include.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Police Department, City and County of Honolulu; and Department of the Attorney General.

Your Committee finds that Act 325, Session Laws of Hawaii 2012, codified as chapter 806D, Hawaii Revised Statutes, created a criminal long arm statute to authorize Hawaii courts to order the production of records, including electronic records, held by entities outside of the State for criminal matters. Prior to the enactment of chapter 806D, Hawaii Revised Statutes, out-of-state entities could not be compelled to comply with service of process in criminal matters issued by Hawaii courts. However, as the Department of the Attorney General notes in testimony, several issues have arisen out of this law, including a lack of a nexus requirement between a Hawaii recipient of process and the service-issuing state, confusion regarding the use of certain terms, and the potential for other states to issue process in an attempt to compel government agencies to disclose protected records. Your Committee finds that this measure is necessary to correct these issues and improve the application of the criminal process records law.

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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2367, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 2069 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2592**

The purpose and intent of this measure is to:

- (1) Require the Department of Public Safety to establish a two-year diversion and reentry pilot project with no more than one hundred offenders, subject to a thorough initial screening and monitoring;
- (2) Require the service providers to collect data from the pilot project and submit a status report to the Department of Public Safety every six months for evaluation of the project's effectiveness; and
- (3) Make an appropriation for the diversion and reentry pilot project.

Your Committee received testimony in support of this measure from the Department of Public Safety, Hawaii Substance Abuse Coalition, Community Alliance on Prisons, and the Salvation Army Addiction Treatment Services. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that the State's community correction centers are overcrowded. There are over one hundred forty drug offenders who are classified as low-risk inmates. Furthermore, fifty percent of the State's prisoners are dependent on drugs, yet less than twenty percent receive formal treatment while incarcerated.

Your Committee further finds that structured community-based treatment programs produce measurable outcomes and enable nonviolent offenders to transition into the community and achieve self-sufficiency. The diversion and reentry pilot project will establish an alternative to incarceration by diverting nonviolent offenders with substance-abuse issues from incarceration into a coordinated system of community-based treatment programs, resulting in long-term savings, a reduction in the prison population, and a reduction in recidivism among nonviolent drug offenders.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2592 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 (Galuteria, Slom).

**SCRep. 2070 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2884**

The purpose and intent of this measure is to:

- (1) Require the furnishing of funds by the Hawaii Paroling Authority to certain persons for immediate needs upon discharge or parole to be contingent upon legislative appropriations specifically for that purpose;
- (2) Clarify circumstances under which the Hawaii Paroling Authority may grant early discharges; and
- (3) Provide discretion to the Hawaii Paroling Authority to grant complete pardons for paroled prisoners who have been paroled for at least five years.

Your Committee received testimony in support of this measure from the Department of Public Safety, Hawaii Paroling Authority, Department of the Prosecuting Attorney of the City and County of Honolulu, and Community Alliance on Prisons.

Your Committee finds that when offenders are discharged from the correctional system, they often do not have any money. This measure will address the problem by providing funds to offenders who have undergone a commitment or sentence of more than one year and are exiting the correctional system or being discharged from parole.

Your Committee additionally finds that the Hawaii Paroling Authority is required to conduct a pardon investigation of every offender who has been on parole for at least five years, regardless of their adjustment to the community, current parole violation status, criminal history, or outstanding restitution that may be owed. Your Committee finds that the Hawaii Paroling Authority should have discretion in considering a complete pardon of these offenders.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2884, 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 (Galuteria, Slom).

**SCRep. 2071 Human Services on S.B. No. 2265**

The purpose and intent of this measure is to appropriate funds to improve the existing public housing stock and increase the supply of public housing units in the State.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, Hawaii Primary Care Association, Community Alliance for Mental Health, and Blueprint for Change.

Your Committee finds that the Hawaii Public Housing Authority continues to be underfunded by the United States Department of Housing and Urban Development, and has extensive and growing capital needs. According to the Authority, approximately \$462,000,000 is needed for capital improvements to its aging housing stock. In addition, as indicated in the 2011 Hawaii Housing Planning Study, the State needs approximately 50,000 new units by 2016 to meet the growing demand for housing, of which 19,000 units are for sale and rental units needed for household income levels of eighty percent or below the area median income for the State. This measure addresses the Authority's capital needs by allocating \$50,000,000 to improve existing public housing stock and increase the supply of public housing units.

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. 2265 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 (Kidani).

**SCRep. 2072 Human Services on S.B. No. 2840**

The purpose and intent of this measure is to allow the Department of Human Services to draw from other funds appropriated to the Department in the event the general assistance appropriation is insufficient to maintain general assistance benefits payments.

Your Committee received testimony in support of this measure from the Department of Human Services.

Your Committee finds that it is important for the Department to have the flexibility to transfer surplus funds between various programs to ensure that the general assistance program sustains adequate funding. Your Committee further finds that the general assistance program is the primary source of temporary cash assistance for individuals in Hawaii who have suffered a temporary illness or injury that prevents them from working, or who have permanent disabilities and are awaiting permanent federal disability benefits. The general assistance program is a block grant program and, therefore, the maximum allowance a recipient can receive depends on the amount appropriated by the Legislature and the number of general assistance recipients.

In previous years, the monthly general assistance allowance has dropped as low as \$234 due to high caseloads and insufficient funding. Consequently, the Department has had to request emergency appropriations. This measure provides more stability and more reasonable monthly allocations for individuals who need temporary assistance by allowing the Department to transfer surplus funds from other programs to the general assistance program. This measure requires the Department to be transparent regarding the use of its appropriations by submitting to the Legislature a report detailing the funds and calculations used.

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. 2840 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 (Kidani, Slom).

**SCRep. 2073 Human Services on S.B. No. 2841**

The purpose and intent of this measure is to establish the interim assistance reimbursement special fund into which interim assistance reimbursements received from the Social Security Administration will be deposited for repayment of state-funded financial assistance programs so that the Department of Human Services can expend the interim assistance reimbursement funds for state-funded financial assistance programs.

Your Committee received testimony in support of this measure from the Department of Human Services.

Your Committee finds that, as a result of the length of time it takes for a determination of Supplemental Security Income to be made, the Department of Human Services does not receive interim assistance reimbursements from the Social Security Administration for state-funded benefits paid to social security income applicants during the same fiscal year in which the benefits are paid. As a result, each year a significant amount of the interim assistance reimbursements received by the Department lapse into the general fund, and the Department is unable to use the funds for its state-funded financial assistance programs, which have been underfunded for many years. When the state-funded assistance programs are underfunded, monthly benefits to families already living far below poverty levels are reduced, families are threatened with homelessness, and the Department is forced to request emergency appropriations. This measure allows the state-funded financial assistance programs to remain more adequately funded with money that otherwise lapses into the general fund due to the timing of the Department's receipt of interim assistance reimbursements from the prior fiscal year. The reimbursements will be deposited into the interim assistance reimbursement special fund and used by the Department for its state-funded financial assistance programs.

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. 2841 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 (Kidani, Slom).

**SCRep. 2074 (Majority) Human Services on S.B. No. 2395**

The purpose and intent of this measure is to deter crimes against the homeless by requiring mandatory minimum terms of imprisonment for certain felonies and extended terms of imprisonment for certain felonies that are committed against an individual or family that the defendant knew or reasonably should have known was homeless.

Your Committee received testimony in support of this measure from the Institute for Human Services, Blueprint for Change, Community Alliance for Mental Health, and one individual. Your Committee received comments on this measure from Hawaii Appleseed Center for Law and Economic Justice and one individual.

Your Committee finds that recent acts of violence against unsheltered homeless individuals demonstrate a need for more protection for Hawaii's homeless population. In the last couple of months, three homeless, unsheltered men between the ages of thirty and eighty-three were murdered on the streets of Oahu. Your Committee further finds that it is important to highlight the vulnerability of the homeless who are unsheltered, as those are the individuals being targeted and victimized.

Your Committee agrees with the amendments suggested by the Institute for Human Services and Hawaii Appleseed Center for Law and Economic Justice to include the unsheltered homeless as a protected class of crime victims under hate crime sentencing. This amendment would not only acknowledge the underlying discrimination that is believed to have incited the recent acts of violence against the homeless, but also recognize the widespread fear of being targeted that these acts instill in Hawaii's unsheltered homeless population.

Your Committee has amended this measure by:

- (1) Removing language making certain felonies committed against the homeless subject to mandatory minimum terms of imprisonment without the possibility of parole;
- (2) Adding language to specify that extended terms of imprisonment for certain crimes committed against a homeless person or family are applicable only if the homeless person or family is in an unsheltered state;
- (3) Adding language to include unsheltered homeless as a class of victims for which a defendant may be subject to extended terms of imprisonment as a hate crime offender;
- (4) Defining "unsheltered homeless" as an individual or family who has a primary night-time residence that is a public or private place not designed for or ordinarily used as sleeping accommodations for human beings; and
- (5) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2395, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Taniguchi). Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 2075 Human Services on S.B. No. 2842**

The purpose and intent of this measure is to appropriate \$6,020,727 in general funds as an emergency appropriation to the Department of Human Services for general support for health care payments to address the funding shortfall in the Medicaid program resulting from a delay in reimbursement.

Your Committee received testimony in support of this measure from the Department of Human Services, Community Alliance for Mental Health, and one individual. Your Committee received comments on this measure from the Hawaii Health Connector.

Your Committee finds that the Department provided services and funding to the Hawaii Health Connector to develop components of the health insurance exchange required by the Patient Protection and Affordable Care Act. The services and funding provided, along with a mandatory 5.25 percent cost allocation for the Medicaid Kauhale On-Line Eligibility Assistance system, were paid for with general funds with the understanding that the Hawaii Health Connector would reimburse the Department through the Hawaii Health Connector's own federal funds. As of November 1, 2013, the costs owed to the Department totaled \$6,020,727. While encumbered, the Department is unable to use these funds for other purposes and cannot fund its core operations.

Your Committee received testimony from the Department of Human Services indicating that, since the original emergency appropriation request, the Hawaii Health Connector has reimbursed the Department for some of the services and monies provided by the Department. Your Committee finds that the Department has been reimbursed for the following:

- (1) Work performed that would have allowed Connector system functionality so individuals could browse for and select qualified health plans for both Medicaid and the Connector at the same time;
- (2) Work performed on the transition necessary to revise the Connector system to separate the browsing and selection functions for Medicaid and the Connector when the design was changed; and
- (3) Work performed to allow the Connector to interface with the state data services hub.

Accordingly, your Committee has amended this measure by:

- (1) Adding language reflecting the services and corresponding amounts for which the Department of Human Services has recently been reimbursed;
- (2) Amending the appropriation to \$4,854,037 to reflect the \$1,166,690 the Department has recently received from the Hawaii Health Connector; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2842, 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 (Kidani, Slom).

**SCRep. 2076 Human Services on S.B. No. 2845**

The purpose and intent of this measure is to authorize the Director of Human Services to appoint and employ professional staff, not subject to civil service law, when the Director determines that the services to be performed are unique and essential to the execution of the state medical assistance programs.

Your Committee received testimony in support of this measure from the Department of Human Services. Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association and one individual.

Your Committee finds that it is challenging for the Department to recruit, hire, and compensate high level managerial and professional staff to manage critical functions of the \$1,800,000,000 medical assistance programs. State civil service system requirements make it very difficult to recruit qualified individuals with the requisite knowledge for specialized positions within the complex medical assistance programs and offer them competitive salaries.

Your Committee finds that the Department needs some flexibility in its hiring ability and salary range options so that the Department can attract qualified applicants to fill important positions within the medical assistance programs. However, your Committee also acknowledges the concern regarding the proliferation of positions that are exempt from civil service law. Your Committee believes that a collaborative effort should be made to find a more permanent solution to the challenge the Department faces in being able to recruit qualified candidates and offer competitive salaries for high level positions.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage 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. 2845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2845, 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 (Taniguchi). Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2077 Human Services on S.B. No. 2846**

The purpose and intent of this measure is to support the effective management of the Department of Human Services' diverse and complex programs affecting poor and vulnerable adults and children statewide by restoring the second deputy director position.

Your Committee received testimony in support of this measure from the Department of Human Services and Department of Human Resources Development. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the Department of Human Services is an extremely large and complex department, and that an additional deputy director position will assist the director tremendously in managing the resources of the agency. The Department has the largest operating budget of any state department and the fifth largest staff of any department. The Department is critical to serving the State's needy adults and children, and the programs that serve such populations are complex and driven by unique state and federal laws, rules, and regulations. The breadth of knowledge required to effectively manage all of the Department's programs and funds is extremely difficult to develop, and each of the Department's programs require specialized leadership and expertise. It is particularly critical that the Department's budget of over \$2,500,000,000 is spent on programs that are run well and comply with federal and state laws and regulations so that tax dollars are well spent and programs serve the community as intended. The second deputy director position was eliminated in 1994 due to the poor economy, and this measure restores a critical position to assist the director in effectively managing this invaluable department.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2846, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2846, 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 (Kidani, Slom).

**SCRep. 2078 (Joint) Human Services and Health on S.B. No. 2535**

The purpose and intent of this measure is to:

- (1) Appropriate funds to the Department of Health for substance abuse treatment, mental health support services, and clean and sober housing services;
- (2) Appropriate funds for a rental assistance program;
- (3) Appropriate funds to the Department of Human Services to continue to administer Housing First programs for chronically homeless individuals and reestablish the homeless prevention and rapid re-housing program;

- (4) Appropriate matching funds for the federal continuum of care permanent supportive housing programs to provide rental assistance in connection with supportive services;
- (5) Appropriate funds for innovative temporary housing solutions related to the homeless assistance working group's findings and recommendations; and
- (6) Transfer the homeless assistance working group from the Department of Human Services to the Legislature.

Your Committees received testimony in support of this measure from the Department of Human Services; City Council, City and County of Honolulu; Catholic Charities Hawaii; Hawaii Appleseed Center for Law and Economic Justice; PHOCUSED; Kauai Community Alliance; Pacific Alliance to Stop Slavery; Waikiki Health; Community Alliance for Mental Health; Partners in Care; Hawaii Primary Care Association; Witt Counseling Service; and one individual. Your Committees received comments on this measure from the Department of Health and one individual.

Your Committees find that homelessness is a complex and growing challenge in Hawaii, and that addressing the issue requires a multi-faceted approach. Your Committees recognize that stable housing is a critical component in the continuum of substance abuse treatment and recovery. In addition, it is important to assist homeless families and those in transitional housing that seek permanent rental housing by providing rent subsidies that make permanent housing affordable.

Your Committees further find that Housing First programs are essential to moving chronically homeless individuals into permanent housing with wrap-around services. Your Committees note their support of the request in the Executive Supplemental Budget submitted by the Governor for \$1,500,000 for continuation of the Housing First program.

Your Committees also find that providing matching funds for federally funded continuum of care permanent supportive housing programs would enable over six hundred disabled homeless to be re-integrated into the community and maintain housing. Finally, your Committees note the value of innovative temporary housing solutions.

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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2535, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2535, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2079 (Joint) Human Services and Health on S.B. No. 2264**

The purpose and intent of this measure is to enable caregivers to provide competent post-hospital care to their loved ones, at minimal cost to taxpayers, by:

- (1) Allowing a patient the opportunity, upon entry to a hospital, to designate a caregiver;
- (2) Requiring hospitals to notify and meet with the designated caregiver to discuss the patient's plan of care; and
- (3) Requiring hospitals to instruct the designated caregiver in after-care tasks upon a patient's discharge.

Your Committees received testimony in support of this measure from the AARP Hawaii, Healthcare Association of Hawaii, Hawaii Family Caregiver Coalition, Hawaii Primary Care Association, International Longshore and Warehouse Union Local 142 Hawaii, and seven individuals.

Your Committees find that there are approximately 247,000 unpaid family caregivers in Hawaii that serve as the backbone and support for Hawaii's aging residents and those with physical or cognitive limitations. These caregivers provide services that are valued annually at \$2,000,000,000. In addition, unpaid caregivers help prevent unnecessary hospital readmissions by providing adequate care for their family members and loved ones. Each year, \$17,000,000,000 in Medicare funds is spent on unnecessary hospital readmissions, and Hawaii's hospitals are subject to federal financial penalties due to excessive readmissions.

Your Committees further find that the role of unpaid caregivers is expanding to include medical and nursing tasks that historically were only provided in hospitals and nursing homes or by home care professionals. The tasks most commonly performed by caregivers are medication management, help with assistive mobility devices, preparing food for special diets, and wound care. This measure recognizes the importance of unpaid caregivers and their need for adequate training and support.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 are in accord with the intent and purpose of S.B. No. 2264, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2264, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Human Services  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Health  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2080 (Joint) Human Services and Health on S.B. No. 2531**

The purpose and intent of this measure is to support a coordinated statewide effort to prevent and reduce the impact of falls among older adults by establishing a fall prevention and early detection coordinator position within the Emergency Medical Services and Injury Prevention System Branch of the Department of Health.

Your Committees received testimony in support of this measure from the Department of Health, Executive Office on Aging, Hawaii Primary Care Association, International Longshore and Warehouse Union Local 142 Hawaii, and one individual.

Your Committees find that falls are by far the leading cause of fatal injuries, injury-related hospitalizations, and emergency medical services attended injuries among adults sixty-five years of age and older in Hawaii. Direct medical costs for fall and fall-related injuries among older adults amount to almost \$95,000,000 each year, and the amount doubles when including the costs of rehabilitation and long term care. Your Committees further find that access to fall prevention services and programs would significantly reduce these costs as well as minimize suffering and death of Hawaii's aging adults. Currently there are insufficient resources to develop a statewide approach to reduce and promptly detect falls among the elderly. A position within the Department of Health's Emergency Medical Services and Injury Prevention System Branch is needed to establish and maintain a program dedicated to fall prevention and detection efforts.

Your Committees have amended this measure by:

- (1) Amending the amount of funds appropriated out of the trauma system special fund from \$78,555 to \$81,985 to reflect the recently adjusted salary rate for state employees; and
- (2) 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 are in accord with the intent and purpose of S.B. No. 2531, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2531, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Health  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2081 (Joint) Economic Development, Government Operations and Housing and Transportation and International Affairs and Agriculture on S.B. No. 2020**

The purpose and intent of this measure is to establish an agricultural foreign-trade zone and specify its boundaries, jurisdiction, and benefits.

Your Committees received testimony in support of this measure from the Agribusiness Development Corporation, Hawai'i Farm Bureau, and Sugarland Growers, Inc. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and one individual.

Your Committees find that foreign-trade zones are secure areas under United States Customs and Border Protection supervision that are located in or near ports of entry into Customs and Border Protection territory. However, as far as the provision of certain economic benefits, foreign-trade zones are generally considered outside of Customs and Border Protection territory. Essentially, foreign and domestic merchandise may be moved into foreign-trade zones for legal operations in order to receive benefits such as control over the timing of imposition of certain taxes and duty and control over the rates of certain taxes and duty imposed, high level of security and therefore protection against theft for merchandise stored in the foreign-trade zone, and satisfaction of certain exportation requirements imposed by law. Your Committees find that an agricultural foreign-trade zone in the State can assist agricultural businesses with warehouse savings, import and export resources, manufacturing incentives, and export financing.

Your Committees have amended this measure by:

- (1) Removing the parcel of land identified by tax map key 7-1-002-099 from the agricultural foreign-trade zone and inserting the parcel of land identified by tax map key 7-1-002-009; and
- (2) Making technical amendments to the listing of the tax map keys.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing, Transportation and International Affairs, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2020, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2020, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, Wakai).

Transportation and International Affairs  
Ayes, 7. Noes, none. Excused, 2 (Gabbard, Kouchi).

Agriculture  
Ayes, 5. Noes, none. Excused, 2 (Kouchi, Wakai).

**SCRep. 2082 Hawaiian Affairs on S.B. No. 2268**

The purpose and intent of this measure is to require a portion of the general excise tax to be deposited into the Hawaiian home administration account for operational expenses of the Department of Hawaiian Home Lands.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands, Auamo I Na Alaka'i, and Waimanalo Hawaiian Homes Association. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds the Department of Hawaiian Home Lands has lacked sufficient funding from the State for its operational expenses since 1960. Allocating a set sum of money from general excise tax revenues to the Hawaiian home administration account will ensure that the Department's operational expenses are appropriately and consistently funded.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2268, 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 (Kidani, Slom).

**SCRep. 2083 Hawaiian Affairs on S.B. No. 2254**

The purpose and intent of this measure is to:

- (1) Establish a candidate advisory council to present nominees to the Governor for the appointment of individuals to serve on the Hawaiian Homes Commission;
- (2) Require all members of the Hawaiian Homes Commission to be of Hawaiian ancestry; and
- (3) Require the members of the commission, rather than the Governor, to select a chairperson from among the members of the commission to serve a one-year term commencing on July 1 and expiring on June 30.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs. Your Committee received testimony in opposition to this measure from the Department of the Attorney General, Auamo I Na Alaka'i, and Waimanalo Hawaiian Homes Association. Your Committee received comments on this measure from the Department of Hawaiian Home Lands.

Your Committee finds that, recently, the Department of Hawaiian Home Lands has attracted increased scrutiny for program deficiencies uncovered by the press as well as departmental audits. As a consequence, certain communities, including those of Hawaiian ancestry, are wary of the selection process for Hawaiian Homes commissioners, including the chairperson. This measure assures that all commissioners selected for the Hawaiian Homes Commission, including the chairperson, are vetted and approved by a broad range of stakeholders and beneficiaries, rather than only the Governor and Senate.

Your Committee has amended this measure by:

- (1) Requiring one member, rather than two members, of the candidate advisory council to be appointed by the Sovereign Councils of the Hawaiian Homelands Assembly;
- (2) Requiring one member of the candidate advisory council to be appointed by Auamo I Na Alaka'i;
- (3) Requiring one member of the candidate advisory council to be appointed by the Association of Hawaiian Civic Clubs;
- (4) Requiring two members, rather than one member, of the candidate advisory council to be appointed by the Hawaiian Homes Commission;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2254, 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 (Kidani, Slom).

**SCRep. 2084 Commerce and Consumer Protection on S.B. No. 2819**

The purpose and intent of this measure is to require all managed care plans to provide health insurance premium information to the Insurance Commissioner upon request and to require the Insurance Commissioner to publish representative annual premiums annually.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, Hawai'i Primary Care Association, and one individual.

Your Committee finds that the Insurance Commissioner is able to collect and create motor vehicle and home insurance premium comparison sheets that enable the public to shop for and compare these policies. This measure establishes similar requirements for the submission of health insurance premium information to the Insurance Commissioner and requires the Insurance Commissioner to publish representative premium information annually and electronically, such as through a premium comparison sheet for health insurance premiums.

Your Committee further finds that the federal Patient Protection and Affordable Care Act of 2010 mandates individuals to acquire health care coverage or face a penalty. The State's Prepaid Health Care Act also requires many employers to provide prepaid health care plans to certain types of employees. This measure affords individuals and small businesses the opportunity to review and compare health premiums from all health insurers, thereby helping Hawaii consumers make informed decisions when purchasing required health insurance.

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. 2819 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 (Nishihara).

**SCRep. 2085 Commerce and Consumer Protection on S.B. No. 2386**

The purpose and intent of this measure is to establish the offense of advertising the sale of stolen property.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs Office of Consumer Protection and one individual.

Your Committee finds that victims of property theft often find their belongings advertised for sale in various locations such as the Internet. This measure would criminalize the advertisement of stolen property and would make the advertisement for the sale of such stolen property equivalent to the same grade of offense as theft of the property advertised for sale. Your Committee further finds that this measure will afford additional protection to consumers by reducing the occurrence of stolen goods being advertised for sale.

Your Committee has amended this measure by inserting an effective date of 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 S.B. No. 2386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2386, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 2086 Commerce and Consumer Protection on S.B. No. 2817**

The purpose and intent of this measure is to amend the Secure and Fair Enforcement for Mortgage Licensing Act by:

- (1) Adding or amending various definitions for clarity;
- (2) Deleting exemptions for individuals facilitating mortgage loans for family members and family property;
- (3) Clarifying requirements for branch managers;
- (4) Requiring mortgage loan originator companies to be open during regular business hours to the public and for examination or investigation by the Commissioner of Financial Institutions;
- (5) Excluding certain information included in NMLS from confidentiality provisions of the law; and
- (6) Making various housekeeping amendments for clarity.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaii Financial Services Association. Your Committee received comments on this measure from the Hawaii Association of Mortgage Professionals.

Your Committee finds that in recent years, numerous changes have been made to chapter 454F, Hawaii Revised Statutes, the Secure and Fair Enforcement for Mortgage Licensing Act. This measure is primarily a housekeeping measure that brings consistency to the recent amendments made to that chapter.

Your Committee further finds that under chapter 454F, Hawaii Revised Statutes, there are separate licenses for mortgage loan originator companies and mortgage loan originators. Your Committee has heard the concerns about single business owners who are mortgage loan originators and mortgage loan originator companies but are being asked to pay the company license fee and the individual license fee. Your Committee therefore finds that amendments are necessary to address the duplication of fees paid by these single business owners and clearly reflect the Division of Financial Institutions' interpretation of who constitutes a sole proprietorship.

Your Committee additionally finds that this measure requires mortgage loan originator companies and mortgage servicer companies to be in good standing with the Business Registration Division of the Department of Commerce and Consumer Affairs. However, the Business Registration Division does not issue certificates of good standing for trade names used by sole proprietorships. Therefore, amendments to this requirement are necessary.

Your Committee has amended this measure by:

- (1) Clarifying the definition of “offers or negotiates terms of a residential mortgage loan”;
- (2) Adding a definition of “sole proprietorship” to better reflect the situation where a mortgage loan origination company is owned and operated by a single business owner that is also a mortgage loan originator and deleting language that would have added a new definition of “sole proprietor”;
- (3) Deleting language that stated a mortgage loan originator company or mortgage servicer company had to be in good standing with the Business Registration Division of the Department of Commerce and Consumer Affairs;
- (4) Clarifying the requirements for mortgage loan originator companies to be open for business during posted business hours;
- (5) Clarifying the authority of the Commissioner of Financial Institutions or the Commissioner’s authorized representatives to conduct an examination or investigation of a mortgage loan originator company during regular business hours; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2817, 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 (Taniguchi).

**SCRep. 2087 Commerce and Consumer Protection on S.B. No. 2482**

The purpose and intent of this measure is to clarify the parties that a homeowners association can serve through publication, after a hearing before a judge, in a nonjudicial foreclosure proceeding.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs Office of Consumer Protection; Collection Law Section of the Hawaii State Bar Association; Hawaii Council of Associations of Apartment Owners; Hawaii First, Inc.; and one individual.

Your Committee finds that under section 667-92, Hawaii Revised Statutes, an association is required to serve its notice of default and intention to nonjudicially foreclose on certain parties. If an association cannot find the unit owner, it may go to court to ask for permission to serve the owner by publication. However, section 667-92, Hawaii Revised Statutes, has been interpreted in some cases to not specifically allow an association to serve any other potential defendants, such as defunct lenders or long lost judgment holders, by publication if these entities or individuals cannot be found. This prevents the association’s nonjudicial foreclosure from going forward, and the financial and time saving benefits of the nonjudicial foreclosure process are lost.

Your Committee finds that this measure addresses this concern by allowing a judge to approve service of certain other missing defendants by publication so an association’s nonjudicial foreclosure can continue. In doing so, this measure also supports the intent of chapter 667, part VI, Hawaii Revised Statutes, which is to provide associations with a means to foreclose nonjudicially without having to resort to the expensive and time-consuming judicial foreclosure 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. 2482 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2088 Commerce and Consumer Protection on S.B. No. 2483**

The purpose and intent of this measure is to clarify that:

- (1) A condominium association’s lien is subordinate to real property taxes, rather than all taxes; and
- (2) A condominium association may assess unpaid common fees against a purchaser, in addition to a mortgagee, who purchases a delinquent unit in a judicial or nonjudicial power of sale foreclosure.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs Office of Consumer Protection; Collection Law Section of the Hawaii State Bar Association; Hawaii Council of Associations of Apartment Owners; Community Associations Institute, Hawaii Chapter; Hawaii First, Inc.; and one individual. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that this measure clarifies two aspects of the State’s condominium law relating to liens. First, this measure clarifies that only real property tax liens, not all tax liens, take priority to a condominium association’s lien. The priority of an association’s lien exists because the association pays for maintenance and many of the services that add value to the unit against which the association claims its lien. This is similar to the principle that gives priority to real property taxes, namely that real property taxes provide many of the services that add value to the property for which the real property taxes are paid.

Secondly, your Committee finds that Act 196, Session Laws of Hawaii 2013, amended section 514B-146, Hawaii Revised Statutes, to specify that an association’s six-month special assessment would be paid upon closing of a foreclosure sale. Although mortgagees were added as eligible purchasers for these special assessments, the phrase “or other purchaser” was inadvertently left out of the amended statute. This measure corrects this error and clarifies the Legislature’s original intent with the enactment of Act 196.

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. 2483 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 (Taniguchi).

**SCRep. 2089 Judiciary and Labor on S.B. No. 2123**

The purpose and intent of this measure is to promote impartiality in independent medical examinations and permanent impairment rating processes and potentially reduce the number of workers' compensation medical disputes by:

- (1) Requiring independent medical examinations and permanent impairment examinations for workers' compensation claims to be performed by physicians mutually agreed upon by employers and employees; and
- (2) Allowing the use of an out-of-state physician to perform independent medical examinations and permanent impairment examinations under certain conditions.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii State AFL-CIO; International Longshore and Warehouse Union, Local 142; Work Injury Medical Association of Hawaii; and two individuals. Testimony in opposition to this measure was submitted by the Department of Human Resources Development; Building Industry Association-Hawaii; Hawaii Insurers Council; General Contractors Association of Hawaii; Property Casualty Insurers Association of America; Hawaiian Electric Company, Inc.; National Federation of Independent Business; Society for Human Resource Management, Hawaii Chapter; Hawaii Pacific Health; and Island Princess.

Your Committee finds that under existing law, an employee, whenever ordered by the Director of Labor and Industrial Relations, is required to submit to a medical examination related to a workers' compensation claim by a duly qualified physician designated and paid for by the employer. However, the physician's impartiality is often questioned because the physician is selected and paid for by the employer. This measure establishes a process by which the physician who is to perform an independent medical examination and permanent impairment rating examination is selected by mutual agreement between the employer and injured employee.

Your Committee notes that the companion to this measure, H.B. No. 1961 (2014), is currently moving through the legislative process. The amendments recommended to H.B. No. 1961 by the House Committee on Labor alter the process proposed by this measure for determining the physician when the employer and employee initially fail to reach a mutual agreement. Your Committee believes that both processes merit further discussion as these two measures move through the legislative process.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2123, 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, Slom).

**SCRep. 2090 (Majority) Judiciary and Labor on S.B. No. 2261**

The purpose and intent of this measure is to assist the Department of Labor and Industrial Relations in its enforcement of the laws relating to wages and hours on public works. Specifically, this measure:

- (1) Prohibits private agreements from contravening or setting aside any requirement under chapter 104, Hawaii Revised Statutes;
- (2) Adds a definition of "contractor";
- (3) Authorizes government contracting agencies to withhold further payments from a contractor if a subcontractor or agent of the contractor or subcontractor interferes with or delays an investigation conducted by the Department of Labor and Industrial Relations;
- (4) Increases the prevailing wage penalty from \$1,000 per project and \$100 per day to \$10,000 per project and \$1,000 per day, respectively;
- (5) Clarifies that general contractors are secondarily liable for payment of back wages and penalties imposed on any of their subcontractors; and
- (6) Requires notifications of violations to be final and conclusive unless within twenty days after a copy is sent to the contractor, the contractor files a written notice of appeal.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Department of Accounting and General Services; Hawaii State AFL-CIO, International Brotherhood of Electrical Workers, Local Union 1186; and one individual. Testimony in opposition to this measure was submitted by the Associated Builders and Contractors, Inc., Hawaii Chapter; Building Industry Association-Hawaii; and General Contractors Association of Hawaii.

Your Committee finds that this measure assists the Department of Labor and Industrial Relations in its enforcement of the laws relating to wages and hours on public works and encourages contractors to comply with these laws. The Department of Labor and Industrial Relations testified that compliance creates a level playing field for contractors to bid on state and county projects and that better enforcement mechanisms protect workers' rights and benefits.

First, the Department of Labor and Industrial Relations testified that contractors often contend that their employees agreed under a private agreement to be paid wages lower than the wage rate required by law. This measure prohibits such private agreements from contravening or setting aside any requirement under chapter 104, Hawaii Revised Statutes. Second, this measure adds a definition of “contractor” to chapter 104, Hawaii Revised Statutes, to clarify that a contractor includes a general contractor or subcontractor. Third, this measure increases the penalty amounts for violations per day and per project to compel compliance. The Department testified that the existing penalty amounts do not reflect the importance of compliance, especially when many of the projects investigated are large projects in the multi-million dollar range. Fourth, this measure clarifies that general contractors are secondarily liable for payment of back wages and penalties imposed on any of their subcontractors to ensure that their subcontractors are also in compliance with the requirements of the law. Fifth, this measure requires notifications of violations to be final and conclusive unless within twenty days after a copy is sent to the contractor, the contractor files a written notice of appeal. The Department testified that requiring notifications will allow the Department to avoid having to re-open cases when contractors assert their right to appeal because they contend that they did not receive a notification.

Your Committee has amended this measure by adopting the amendments suggested by the Department of Labor and Industrial Relations to:

- (1) Amend the definition of “contractor” and make a conforming amendment to be consistent with this amended definition; and
- (2) Amend the language that makes a general contractor secondarily liable for its subcontractor to avoid conflicts with prompt payment requirements that may pose problems for the Department to obtain withheld funds.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2261, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2261, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, 1 (Ihara).

#### **SCRep. 2091 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2351**

The purpose and intent of this measure is to:

- (1) Require primary care physicians and pediatricians to administer an annual body mass index measurement to children, beginning at the age of two years old, and report the data to the Department of Health; and
- (2) Establish mandatory insurance coverage for body mass indexing for patients from age two to eighteen.

Your Committees received testimony in support of this measure from the Department of Health and two individuals. Your Committees received comments on this measure from one individual.

Your Committees find that childhood obesity often leads to health problems such as diabetes, high blood pressure, and high cholesterol. This measure enables physicians to detect and address obesity problems at an early age, while engaging families and children with their physicians.

Your Committees find that the Hawaii Health Information Exchange (Exchange) is a 501(c)(3) non-profit organization established by Hawaii’s leading health care stakeholders to improve health care delivery across the State through a seamless, effective, and secure health information exchange. As the state-designated entity for implementing the statewide health information exchange that will ultimately feed into the nationwide eHealth Exchange technology network, the Exchange has received federal grant monies to implement and operationalize comprehensive statewide health information exchange services within and beyond the State. The Exchange started connecting health care providers to its network in 2012 and has connected over six hundred users and one hundred eighty physician practices, rural pharmacies, and large health care providers. Your Committees find that the data reporting requirement proposed by this measure would be duplicative to the efforts of the Exchange and could be better effectuated through incorporation into the existing efforts of the Exchange.

Your Committees have amended this measure by:

- (1) Requiring physicians and pediatricians to collaborate via statewide health insurance claims data to annually report anonymous age and body mass index statistics to the Hawaii Health Information Exchange, rather than requiring them to report the data to the Department of Health; and
- (2) Making a technical amendment to section 1 to reflect the amended purpose of the measure.

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. 2351, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2351, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Nishihara).

Commerce and Consumer Protection

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Nishihara).

#### **SCRep. 2092 Energy and Environment on S.B. No. 2181**

The purpose and intent of this measure is to increase the renewable portfolio standards to seventy percent by 2040 and one hundred percent by 2050.



Your Committee received testimony in support of this measure from the Sierra Club of Hawaii, Life of the Land, Blue Planet Foundation, Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, and Hawaiian Electric Company, Inc. Your Committee received testimony in opposition to this measure from four individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; and Public Utilities Commission.

Your Committee finds that Hawaii pays the highest electricity prices in the United States, and its gasoline costs are among the highest in the country. Reducing the State's fossil fuel dependence and the consequent price volatility, as well as attaining energy security and independence are critical.

Your Committee further finds that the current renewable portfolio standard was established by Act 155, Session Laws of Hawaii 2009. Act 155 set targets through 2030, mandating that forty percent of each electric utility company's net electricity sales will come from renewable sources by December 31, 2030. More importantly, this target remains achievable. For 2012, Hawaii Electric Light Company, Inc., reported that renewable generation accounted for approximately forty-seven percent of electricity sales, while Maui Electric Company, Limited, reported approximately twenty-one percent, Hawaiian Electric Company reported approximately eight percent, and Kauai Island Utility Cooperative reported approximately nine percent. In the interest of energy security and energy independence for Hawaii, it is time to articulate the next step and provide guidance for long-term energy planning by establishing renewable portfolio standards to be achieved by 2040 and 2050.

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. 2181 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 (Chun Oakland, Slom).

**SCRep. 2093 (Joint) Higher Education and Agriculture on S.B. No. 2039**

The purpose and intent of this measure is to make an appropriation to the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources Cooperative Extension Service to improve education regarding agricultural sciences and food safety.

Your Committees received testimony in support of this measure from the Department of Agriculture, University of Hawaii at Manoa College of Tropical Agriculture and Human Resources, and Hawai'i Farm Bureau Federation.

Your Committees find that the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources (UH CTAHR) Cooperative Extension Service has been assisting and training farmers in Hawaii for over one hundred years. UH CTAHR's Cooperative Extension Service provides educational workshops and courses covering topics in agriculture, home economics, family living, Hawaii 4-H and other youth activities, nutrition, and health.

This measure will support the Cooperative Extension Service's efforts to provide important educational and informational resources regarding agricultural sciences and food safety while UH CTAHR explores additional, long-term sources of funding.

In addition, in light of the federal Food Safety Modernization Act, which was signed into law in 2011, UH CTAHR's Cooperative Extension Service will serve an important role in helping local farmers navigate the federal law and ensure food safety and security in Hawaii. UH CTAHR's Cooperative Extension Service helps train farmers in production and practices that will ensure the safety of the food they produce without unreasonably increasing production costs.

If this measure is considered for passage by your Committee on Ways and Means, your Committees note that UH CTAHR has indicated a need for \$520,000 to fund the following positions:

- (1) One full-time equivalent (1.0 FTE) permanent livestock agent in Maui County;
- (2) One full-time equivalent (1.0 FTE) permanent food crops agent in the City and County of Honolulu;
- (3) One full-time equivalent (1.0 FTE) permanent sustainable agricultural agent in Hawaii County; and
- (4) One full-time equivalent (1.0 FTE) permanent sustainable agricultural agent in Kauai County.

Your Committees ask that these funds be allowed to lapse in two years, rather than one.

As this measure moves forward, your Committees also encourage consideration of additional amendments to this measure to authorize UH CTAHR's Cooperative Extension Service to establish an on-farm mentoring program to provide statewide and island-specific mentoring to teach farmers about methods to improve soil health by using whole system practices.

As affirmed by the records of votes of the members of your Committees on Higher Education and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2039 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.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

Agriculture

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Wakai).

**SCRep. 2094 (Joint) Human Services and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2308**

The purpose and intent of this measure is to appropriate \$250,000 to the Department of Public Safety for programs and services that support the children of incarcerated parents and help with family reunification.

Your Committees received testimony in support of this measure from the Department of Public Safety, Hawaii Youth Services Network, Hawaii Primary Care Association, and Community Alliance on Prisons.

Your Committees find that children of incarcerated parents are seven times more likely to enter the juvenile or adult correctional systems themselves and are at increased risk of abuse and neglect, having mental problems, and having difficulty in school. Your Committees also find that prisoners who have regular contact with their children are less likely to violate prison rules, more likely to take advantage of rehabilitation and educational opportunities in prison, and have higher chances of successful reintegration into the community. This measure supports programs and services of the Department of Public Safety that address family core issues and enables the Department to expand its programs and services to all willing inmates who may have children that have been emotionally or behaviorally affected by the incarceration of a parent.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2308 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.

Human Services

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 2095 Human Services on S.B. No. 2542**

The purpose and intent of this measure is to restore the allocation of conveyance tax collections to the rental housing trust fund to fifty percent.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Housing Finance and Development Corporation, Partners in Care, Catholic Charities Hawaii, Institute for Human Services, Blueprint for Change, Hawaii Appleseed Center for Law and Economic Justice, PHOCUSED, Hawaii Association of REALTORS, Land Use Research Foundation of Hawaii, Community Alliance for Mental Health, and two individuals. Your Committee received testimony in opposition to this measure from The Chamber of Commerce of Hawaii and one individual. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the creation of more affordable rental housing is critical to Hawaii's future. Rent costs have increased more than forty-five percent in Hawaii since 2005, and almost seventy-five percent of extremely low income households are spending more than half of their income on rent. Rising housing costs are associated with increased homelessness and families at risk of becoming homeless, with almost fourteen thousand individuals in the State experiencing homelessness or being at risk of losing their housing during the 2012 fiscal year. Your Committee further finds that restoring funding to the rental housing trust fund to fifty percent of state conveyance tax collections will increase the amount of funds available to be leveraged to build more affordable housing. Testimony on this measure indicates that increasing the allocation of conveyance tax collections to the rental housing trust fund to fifty percent would yield an additional \$10,800,000 per year.

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. 2542 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 (Kidani, Slom).

**SCRep. 2096 Human Services on S.B. No. 2318**

The purpose and intent of this measure is to:

- (1) Prohibit family courts from awarding a person custody of or visitation with a child if the person has been convicted of incest and the child was conceived as a result of that violation; and
- (2) Authorize the family courts to terminate parental rights, with respect to a child, of a natural father who has been convicted of incest and the child was conceived as a result of the incest.

Your Committee received testimony in support of this measure from the Sex Abuse Treatment Center and one individual.

Your Committee finds that state law does not prevent a natural father from claiming paternity rights and obtaining custody of or visitation with a child conceived as a result of incest. The father is afforded the same rights as any other father despite the incest committed against the victim-mother. Consequently, any natural father may assert paternity rights, including custody and visitation, forcing a victim-mother to confront the natural father on a recurring basis while raising a child conceived as the result of incest. These circumstances provide opportunities for the perpetrator to assert power and control again over the victim-mother by using the child.

Your Committee has amended this measure by making technical, nonsubstantive amendments, including inserting a savings clause, 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 S.B. No. 2318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2318, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 2097 (Joint) Human Services and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2420**

The purpose and intent of this measure is to authorize the State and counties to perform national criminal history record checks on certain categories of current and prospective employees, volunteers, and contractors.

Your Committees received testimony in support of this measure from the Department of Human Resources Development; Department of Human Resources, City and County of Honolulu; Police Department, City and County of Honolulu; Department of Transportation Services, City and County of Honolulu; and Honolulu Emergency Services Department, City and County of Honolulu. Your Committees received comments on this measure from the Hawaii Civil Rights Commission.

Your Committees find that it is important for employers to be able to determine the employment suitability of current and prospective employees. Certain job duties and responsibilities make the need to determine employment suitability particularly crucial and may warrant additional evaluation of the current or prospective employee. One tool that is useful to assess employment suitability is criminal history record checks. This measure authorizes the State and counties to access criminal history record information for additional groups of employees and prospective employees.

Your Committees also find that the provisions of the measure authorizing criminal history record checks prior to the State or county making an employment offer may extend such authority to too many types of prospective employees. Testimony received on this measure indicates that permitting pre-offer criminal history record checks for prospective employees related to traffic management positions and systems analyst positions would result in overly broad exceptions to the requirements and limitations imposed on employer inquiries into, and consideration of, conviction records.

Accordingly, your Committees have amended this measure by:

- (1) Removing language that authorized criminal history record checks prior to an employment offer, and exemption from the ten year look-back period, for prospective employees who require unescorted access to traffic management equipment and related secured areas as well as prospective systems analysts involved in an agency's information technology operation who have access to sensitive information;
- (2) Adding language that authorizes the State, in addition to the counties, to perform criminal history record checks on employees and prospective employees whose positions involve the handling or use of firearms for other than law enforcement purposes or whose positions are involved in an agency's information technology operation and responsibilities and have access to sensitive information;
- (3) Changing the effective date to July 1, 2014, to effectuate certain language in section 846-2.7(b), Hawaii Revised Statutes; and
- (4) 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 Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2420, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2420, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 2098 (Joint) Human Services and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2540**

The purpose and intent of this measure is to assist low income and homeless individuals and families in obtaining affordable rental housing by establishing a rental deposit loan program within the Hawaii Housing Finance and Development Corporation.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; City Council, City and County of Honolulu; Hawaii Appleseed Center for Law and Economic Justice; Housing Hawaii; Community Alliance for Mental Health; Citizens for Equal Rights; Hawaii Substance Abuse Coalition; and three individuals. Your Committees received comments on this measure from the State Procurement Office.

Your Committees find that one of the major barriers encountered by low income individuals and families who desire to move or who are residing in transitional or temporary housing and seek permanent housing is the necessity of paying a security deposit and first month's rent. This barrier is profound in Hawaii, as twenty-two percent of the State's families qualify as working poor. A recent survey found that there are approximately 85,000 households in the State that are two or three paychecks away from becoming homeless. In addition, testimony on this measure indicates that many families desire to move closer to work but cannot afford to do so due to the costs of moving. Your Committees find that a rental deposit loan program that assists with payment of security deposits and first month's rent for struggling low income residents will help the State's poor in obtaining adequate and stable permanent rental housing.

Your Committees have amended this measure by:

- (1) Amending language relating to the administration of the rental deposit loan program so that it no longer requires contracting with counties, and instead requires the Hawaii Housing Finance and Development Corporation to contract with nonprofit agencies pursuant to chapter 103F, Hawaii Revised Statutes;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) 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 Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2540, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2540, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 2099      Judiciary and Labor on S.B. No. 3038**

The purpose and intent of this measure is to:

- (1) Clarify that when selecting an appointee to serve as an acting member of the Hawaii Labor Relations Board during the temporary absence from the State, temporary inability to act, or illness of any regular member, the Governor shall first consider persons included on a list of names submitted by employee organizations if the regular member is the representative of labor; and
- (2) Require that all parties to a hearing before the Hawaii Labor Relations Board be provided written notice of a hearing by first class mail or by electronic service through a company designated by the board.

Your Committee received testimony in support of this measure from the Hawaii Labor Relations Board.

Your Committee finds that this measure clarifies that an employee organization is allowed to submit names to the Governor for consideration if a regular Hawaii Labor Relations Board member who is temporarily unable to serve is the representative of labor, rather than a representative of management or labor.

Your Committee further finds that existing law requires that all parties to a Hawaii Labor Relations Board hearing be provided written notice by first class mail. The Hawaii Labor Relations Board testified that beginning on February 17, 2014, the board plans to offer an electronic filing service to parties. Parties who register with this service agree to be served electronically through this system, while parties who do not register will be served by first class mail. This measure effectuates under law the board's plans to serve notice electronically, through a company that is designated by the board, to parties who wish to register with the electronic filing system.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3038 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2100      Energy and Environment on S.B. No. 2195**

The purpose and intent of this measure is to:

- (1) Require the Department of Taxation, in collaboration with the Department of Business, Economic Development, and Tourism, to submit a joint report to the Legislature each year that is related to tax credits for renewable energy technology properties, the total cost to the State of the renewable energy tax credits, and the estimated economic benefit of the renewable energy tax credits for each of the previous four taxable years; and
- (2) Appropriate funds to assist each respective department in submitting the joint report.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, and Ulupono Initiative. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee finds that because renewable energy is important for Hawaii's clean energy goals and economy, the Legislature requires factual information on the fiscal impact of tax credits related to renewable energy in the past years in order to evaluate the effectiveness of such tax credits and to properly compare projections for future years resulting from proposed changes to such tax credits. The lack of this information for tax credits taken for renewable energy technology properties has created an information gap between departments and concerned stakeholders. With the Department of Taxation providing the cost figures and the Department of Business, Economic Development, and Tourism providing the benefit calculations, all stakeholders will be better informed of the costs and benefits related to renewable energy through the reporting requirement proposed by this measure.

Your Committee has amended this measure by:

- (1) Adding language to clarify that the joint report shall include the number of renewable energy technology properties that have qualified for a tax credit in each of the previous four taxable years for which data is available;
- (2) Deleting language that would have required the joint report to include the total cost of the tax credit to the State during the past four taxable years by type of tax credit relating to investment or production; 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2195, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 2101 Human Services on S.B. No. 2269**

The purpose and intent of this measure is to require the Hawaii Public Housing Authority to designate a resident manager at each federal public housing complex and state low-income public housing project.

Your Committee received testimony in support of this measure from the Community Alliance for Mental Health and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Public Housing Authority.

Your Committee finds that having a resident manager on site at public housing locations would be helpful for residents as well as the general atmosphere of public housing. Your Committee heard the testimony of the Hawaii Public Housing Authority expressing concerns that the Authority does not have the resources to hire a resident manager at each public housing property, and that such a program would cost over \$6,500,000 per year and would likely require increasing rent at state low-income public housing. Your Committee finds that the intent of this measure is not to financially burden the Authority or increase rent for Hawaii's low-income families.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language that allows the Authority to establish a work study program with the University of Hawaii School of Social Work that may be implemented at each public housing complex and state low-income public housing project.

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. 2269, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2269, 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 (Kidani, Taniguchi).

**SCRep. 2102 (Majority) Commerce and Consumer Protection on S.B. No. 2810**

The purpose and intent of this measure is to allow for more flexibility in the use of the State's One Call Center funding collected from civil penalties.

Your Committee received testimony in support of this measure from the Public Utilities Commission and Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the Building Industry Association of Hawaii.

Your Committee finds that the One Call Center helps reduce the possibility of unintended damage to underground facilities, providing a valuable service for utilities, ratepayers, and the excavating community in Hawaii. Although the Public Utilities Commission is able to collect civil penalties for violations of Hawaii's One Call Center law, pursuant to existing law, these penalty amounts may only be used to educate the operating and excavating community in Hawaii and reduce the One Call Center's operating costs.

Your Committee further finds that this measure permits the Public Utilities Commission to utilize the collected penalties with more flexibility, thereby benefitting the One Call Center and the State's excavators beyond the limitations of the existing law and simplifying the process for expenditure of One Call Center penalty amounts.

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. 2810 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 (Slom). Excused, 1 (Taniguchi).

**SCRep. 2103 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2302**

The purpose and intent of this measure is to:

- (1) Amend fireworks prohibitions and exceptions;
- (2) Create two exceptions to the fireworks prohibitions for movie productions and for those authorized to dispose of or test consumer fireworks; and
- (3) Add definitions and requirements for permanent and temporary consumer fireworks storage facilities, based on nationally recognized standards and applicable county building or fire codes.

Your Committee received testimony in support of this measure from the Hawaii State Fire Council, Honolulu Fire Department, Hawaii County Fire Department, Kauai Fire Department, Maui Fire Department, and the Hawaii Fire Chiefs Association.

Your Committee finds that the potential danger or damage from the public's use, transportation, and storage of fireworks is so great that those activities need to be closely scrutinized. This measure will ensure the safety of the general public and the first responder community by adding definitions for permanent and temporary consumer fireworks storage facilities based on nationally recognized standards for safety and best industry practices to protect life and property; creating two exceptions to the fireworks prohibitions for movie productions and for those authorized to dispose or test consumer fireworks; and requiring permanent and temporary fireworks storage buildings to comply with applicable local codes or nationally recognized standards.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2302 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 (Green, Slom).

**SCRep. 2104 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2303**

The purpose and intent of this measure is to increase the fireworks display permit fee, which authorizes licensed pyrotechnicians to conduct aerial fireworks and indoor fireworks for theatrical purposes, from \$110 to \$300.

Your Committee received testimony in support of this measure from the Hawaii State Fire Council, Honolulu Fire Department, Hawaii County Fire Department, Kauai Fire Department, and Maui Fire Department.

Your Committee finds that the process to approve a fireworks display permit is important to ensure public safety and property protection. The fireworks display permit fee has remained the same for thirteen years, yet the administrative costs to process, review, and approve permit applications have increased. This measure will address the rise in processing costs by raising the fireworks display permit fee from \$110 to \$300.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2303 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 (Green, Slom).

**SCRep. 2105 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2305**

The purpose and intent of this measure is to:

- (1) Appropriate funds to the State Department of Defense Civil Defense Division to assemble twenty-five civilian community teams; and
- (2) Hire a coordinator to help establish and provide administrative oversight of and train the civilian community teams.

Your Committee received testimony in support of this measure from the State Department of Defense Civil Defense Division and the Hawaii Wing Civil Air Patrol.

Your Committee finds that trained community citizens are imperative to any civil defense plan. Community civilians are a great asset in assisting in disaster response, as they live in their communities and can quickly provide needed response and recovery support. With proper training and knowledge, community civilians can provide first response support to local, state, and federal civil defense staff and help prepare their communities for emergency situations.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2305 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 (Green, Slom).

**SCRep. 2106 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2307**

The purpose and intent of this measure is to:

- (1) Require a parole hearing and validated risk assessment for inmates who have not been released upon completion of a set minimum term or received an earlier release date;
- (2) Allow supervised release on parole eighteen months prior to the expiration of the maximum term for Class A felonies, twelve months prior to the expiration of the maximum term for Class B felonies, and six months prior to the expiration of the maximum term for Class C felonies; and
- (3) Provide the Hawaii Paroling Authority with discretion to deny supervised parole prior to the expiration of a maximum sentence for certain inmates.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, and Hawaii Paroling Authority. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that inmates who are released at the end of their maximum term of incarceration with no supervision recidivate at a higher rate than inmates placed on parole. This measure will address the problem by providing the Hawaii Paroling Authority the discretion to grant inmates supervised parole prior to the expiration of their maximum term, thereby affording inmates a supervised transition rather than simply being released from prison directly into the community.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2307 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 (Green, Slom).

**SCRep. 2107 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2583**

The purpose and intent of this measure is to appropriate funds for a National Aeronautics and Space Administration and Pacific International Space Center for Exploration Systems engineering assessment of a proposal to establish a laser optical communications ground station in Hawaii, with infrastructure construction beginning in 2016, contingent on a dollar-for-dollar match of funds from the National Aeronautics and Space Administration.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawaii Hilo; Hawaii County Council; Pacific International Space Center for Exploration Systems; Ferraro Choi; Paragon Space Development Corporation; and eleven individuals.

Your Committee finds that space laser technology has the potential to support laser communications between spacecraft and Earth, provide ten to one hundred times higher data rates than traditional radio frequency systems with the same mass and power, and stimulate the State's economy through the creation of high-tech jobs. Your Committee further finds that the National Aeronautics and Space Administration conducted a detailed statistical analysis of weather patterns and identified Hawaii as the best site in the United States to establish the first laser optical communications ground station.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2583 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2108 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2584**

The purpose and intent of this measure is to appropriate funds to the Pacific International Space Center for Exploration Systems to support planetary sustainability technology demonstrations and university-based competitions, contingent on a dollar-for-dollar match from the State of California.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawaii Hilo; Ferraro Choi; Pacific International Space Center for Exploration Systems; Paragon Space Development Corporation; and ten individuals.

Your Committee finds that the Pacific International Space Center for Exploration Systems stimulates the economic growth for the State, promoting the establishment and growth of new sustainable and green industries, associated jobs, workforce development, internships, and science, technology, engineering, and mathematics education programs.

Your Committee further finds that the State's remote geographic location and unique natural resources provide an ideal location to research, test, and validate basaltic construction modules, three dimensional laser printing technology, renewable energy systems, and advanced water reclamation. This measure will fund the Pacific International Space Center for Exploration Systems' planetary sustainability technologies initiative, securing a leadership role for the State in the maturation of these pioneering technologies and advancing the future well-being of the State.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2584 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 (Green, Slom).

**SCRep. 2109 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2605**

The purpose and intent of this measure is to appropriate funds to the Department of Defense to support operational mission readiness activities of the Hawaii Wing of the Civil Air Patrol, including facility maintenance, not funded by the National Civil Air Patrol.

Your Committee received testimony in support of this measure from the State Department of Defense Civil Defense Division, Department of Defense, Hawaii Wing Civil Air Patrol, Hawaii Chapter (HI-1) of the National Association for Uniformed Services, and one individual.

Your Committee finds that the Hawaii Wing of the Civil Air Patrol provides assistance with homeland security, aerospace education, cadet programs, and emergency services that include search and rescues missions, disaster relief, and tsunami warnings to coastal and remote areas. As such, the Hawaii Wing of the Civil Air Patrol is critical to the State's emergency management agencies. This measure ensures that the Hawaii Wing of the Civil Air Patrol can continue its critical services in emergency management.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2605 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 (Green, Slom).

**SCRep. 2110 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2585**

The purpose and intent of this measure is to appropriate funds to the Pacific International Space Center for Exploration Systems to support administrative and general tasks, strategic program initiatives, and the preliminary development of the Pacific International Space Center for Exploration Systems' research and development park.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawaii Hilo; Ferraro Choi; Paragon Space Development Corporation; and thirteen individuals.

Your Committee finds that pursuant to Act 169, Session Laws of Hawaii 2012, and Act 273, Session Laws of Hawaii 2013, codified in chapter 201, Hawaii Revised Statutes, the Pacific International Space Center for Exploration Systems was established to support the development of a world-class center of excellence in Hawaii and to facilitate the design, testing, and validation of new space technologies, securing a leadership role for the State in the maturation of these pioneering technologies. Accordingly, this measure will further fund the Pacific International Space Center for Exploration Systems' operations, planetary sustainability technologies initiatives, and the development of the aerospace research and development park.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2585, 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 (Green, Slom).

**SCRep. 2111 Education on S.B. No. 2518**

The purpose and intent of this measure is to:

- (1) Authorize the State Public Charter School Commission (Commission) to assess fees to help offset its operating costs;
- (2) Clarify the legal status of an approved charter applicant;
- (3) Require an appropriation to be made to the Commission separate from, and in addition to, any appropriation made for facilities or per-pupil funding; and
- (4) Make various amendments to the charter school law for clarity and consistency.

Your Committee received testimony in support of this measure from the State Public Charter School Commission, Hawaii Public Charter Schools Network, Ho'okako'o Corporation, and two individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that in 2012, the Legislature passed Act 130, Session Laws of Hawaii 2012 (Act 130), which established a new charter school law that created a solid governance structure for Hawaii's charter school system with clear lines of authority and accountability to foster improved student outcomes. As a result of Act 130, Hawaii's charter school system leapt to fourteenth place in the National Alliance for Public Charter Schools' rankings. This measure builds on the progress made by Act 130, while addressing outstanding issues relating to funding for the Commission.

Your Committee recognizes that improving Hawaii's charter schools is a work in progress that will evolve as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Adding language to clarify that the Commission may assess fees to non-state entities and individuals to help cover its costs;
- (2) Adding language to clarify that a charter school authorizer has the power to make and execute contracts and other instruments necessary and convenient to carry out its duties and functions;
- (3) Clarifying that public meeting notices, agendas, and minutes and lists of governing board members and officers shall be posted in a public area in the charter school's office and on the charter school's website, rather than the office and website of the governing board, respectively;
- (4) Adding language to clarify that a charter school's governing board has the power to make and execute contracts and other instruments necessary and convenient to carry out its duties and functions;
- (5) Deleting language that would have repealed the requirement for the setting of annual performance targets by each charter school in conjunction with its authorizer to meet applicable federal, state, and authorizer expectations;
- (6) Changing the effective date to on July 1, 2014; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



Your Committee notes that the Commission and various charter school stakeholders are meeting to discuss the requirement for the setting of annual performance targets by each charter school in conjunction with its authorizer. If this measure is considered for passage by your Committee on Ways and Means, it may wish to take into consideration the outcome of these discussions and, if appropriate, amend this measure accordingly.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2518, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2518, 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. 2112 Education on S.B. No. 2826**

The purpose and intent of this measure is to implement, upon its ratification, the amendment to article X, section 1, of the Hawaii State Constitution, as proposed in Senate Bill No. 1084, Regular Session of 2013, by establishing a statewide early education program consisting of providers of high-quality early education delivered in either of Hawaii's two official languages to assist families in establishing a solid foundation for success in school so that children enter kindergarten prepared and graduate from high school ready for college and a career.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning; Department of Education; Department of Human Services; Department of Public Safety; University of Hawaii System; University of Hawaii at Manoa College of Education; Kualapu'u School; Kamaile Academy; Hawaii Association of Independent Schools; Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled; Ho'okāko'o Corporation; KCAA Preschools of Hawai'i; Kamehameha Schools; Good Beginnings Alliance; Institute for Native Pacific Education and Culture; The Chamber of Commerce of Hawaii; Legislative Committee of the Democratic Party of Hawai'i; Parents and Children Together; Kama'aina Kids; Hawai'i Primary Care Association; Child & Family Service; Hawai'i Association for the Education of Young Children; Hui for Excellence in Education; Community Children's Council of Hawaii; The Pacific Resource Partnership; Hawai'i P-20 Partnerships for Education; Seagull Schools; Hawaii Chapter of the National Association of School Psychologists; and eighty-one individuals. Your Committee received testimony in opposition to this measure from the Hawaii State Teachers Association and IMU Alliance. Your Committee received comments on this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that high quality early learning programs that are affordable and accessible for all children are critically important for ensuring the success of Hawaii's keiki.

Your Committee recognizes the need to form public-private partnerships to provide Hawaii's keiki with high-quality early childhood education. Private, community-based early learning programs have been the mainstay providers for quality early education in our State for many years. This measure, which will be implemented upon the ratification of an amendment to article X, section 1, of the Hawaii State Constitution, will allow the Executive Office on Early Learning to contract with private early learning education programs. This measure, along with appropriate funding, will help provide access to quality early learning programs for eighty-five percent of four-year olds by 2018 and will assist more children in establishing a solid foundation for success in school and life.

Your Committee stresses that this measure does not implement a voucher system in any way and that any private providers who contract with the Executive Office on Early Learning will be required to follow all state and federal laws, including but not limited to the Establishment Clause of the First Amendment to the United States Constitution; article 1, section 4, of the Hawaii State Constitution; and anti-discrimination laws.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2826 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. 2113 Education on S.B. No. 2975**

The purpose and intent of this measure is to appropriate funds to the Executive Office on Early Learning to enter into contracts with third party providers for family child interaction learning programs.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning, Department of Education, Department of Human Services, University of Hawaii at Manoa College of Education, Hawaii Association of Independent Schools, Good Beginnings Alliance, Institute for Native Pacific Education and Culture, Hawai'i Primary Care Association, Hawai'i Association for the Education of Young Children, Kamehameha Schools, Hui for Excellence in Education, Community Children's Council of Hawaii, The Chamber of Commerce of Hawaii, and one hundred sixty-three individuals. Your Committee received comments on this measure from the Hawaii State Teachers Association and American Civil Liberties Union of Hawai'i.

Your Committee finds that family and child interaction programs provide opportunities for parents and caregivers to participate with their child in learning opportunities. These programs also serve to educate parents and caregivers on how to encourage their child's learning at home. These programs are an integral part of the State's goal of providing a mixed-delivery early education learning system to ensure school readiness of Hawaii's children prior to entering kindergarten.

If this measure is considered for passage by your Committee on Ways and Means, your Committee notes the Executive Office on Early Learning has requested that \$1,000,000 be appropriated for the purposes of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2975 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 2114 Health on S.B. No. 2869**

The purpose and intent of this measure is to protect the confidentiality of developmental disability and mental health information, while allowing reasonable use and disclosure as provided by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, and Community Alliance for Mental Health.

Your Committee finds that allowing the reasonable use and disclosure of health records may benefit individuals, while ensuring the safety of the general public, by sharing information for purposes of treatment, payment, or health care operations. This measure allows health care providers that hold developmental disability and mental health records to share and access health care information using the HIPAA privacy rule, rather than the stricter and lesser known state laws.

Your Committee has amended this measure by:

- (1) Adding a new section to chapter 333F, Hawaii Revised Statutes, in which to more appropriately place the proposed amendments to section 333E-6, Hawaii Revised Statutes, that pertain to certificates, applications, records, and reports made for purposes of chapter 333F, Hawaii Revised Statutes; and
- (2) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2869, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2869, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2115 (Majority) Judiciary and Labor on S.B. No. 2816**

The purpose and intent of this measure is to appropriate a specified amount from the general fund to support employment costs for University of Hawaii collective bargaining unit (7) and their excluded counterparts for fiscal year 2014-2015.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; University of Hawaii System; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; University of Hawaii Professional Assembly; and one individual.

Your Committee finds that the general fund appropriation requested in this measure represents the restoration of general funds for faculty salaries that were reduced during the recession as well as for the modest three percent salary increases that were negotiated for each year of fiscal biennium 2013-2015.

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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2816, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, 1 (Shimabukuro).

**SCRep. 2116 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2589**

The purpose and intent of this measure is to transfer the law enforcement functions of the Harbors Division of the Department of Transportation to the Department of Public Safety, effective July 1, 2016.

Your Committees received testimony in support of this measure from the Department of Transportation and Department of Public Safety. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the Department of Public Safety, Sheriff Division, would be better suited than the Department of Transportation to perform law enforcement functions relating to harbors.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2589, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2589, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 7. Noes, none. Excused, 2 (Dela Cruz, Solomon).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

**SCRep. 2117 Energy and Environment on S.B. No. 2197**

The purpose and intent of this measure is to:

- (1) Establish a renewable fuels production income tax credit; and
- (2) Repeal the ethanol facility tax credit.

Your Committee received testimony in support of this measure from the Ulupono Initiative; Renewable Energy Action Coalition of Hawaii; Blue Planet Foundation; Hawaii Renewable Energy Alliance; Hawaii BioEnergy, LLC; Pacific Biodiesel Technologies; Extended Horizons; and thirty individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Department of the Attorney General; and Tax Foundation of Hawaii.

Your Committee finds that in recent years, Hawaii has seen significant growth in renewable energy adoption moving the State toward its renewable energy goals. However, while Hawaii locally produces about fourteen percent renewable electricity, far less than one percent of the renewable fuels are used.

Your Committee further finds that Hawaii is far behind in achieving its renewable goals for transportation, as transportation fuels account for about two-thirds of all the energy consumed in Hawaii and nearly all of Hawaii's energy for transportation comes from imported fuels. Without renewable fuel production from sources indigenous to Hawaii, the State will have virtually no fuel available for critical transportation needs if and when imported fuels stop flowing to Hawaii.

Your Committee has amended this measure by:

- (1) Adding a severability clause in light of commerce clause issues raised by the Attorney General; and
- (2) 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2197, 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 (Chun Oakland, Slom).

**SCRep. 2118 Agriculture on S.B. No. 3023**

The purpose and intent of this measure is to make an appropriation for the research, development, and marketing of 'ulu, or breadfruit.

Your Committee received testimony in support of this measure from the Department of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, Agribusiness Development Corporation, and two individuals.

Your Committee finds that breadfruit, or 'ulu, is a traditional Hawaiian crop with unrecognized potential as an agricultural commodity. It is rich in nutritional content, can be easily grown in Hawaii, and can be used to create gluten-free products. By supporting development of an 'ulu industry, this measure will help revive the harvesting of 'ulu and create a valuable commercial crop that will increase food security and self-sufficiency in Hawaii.

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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3023, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3023, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 2119 (Joint) Agriculture and Commerce and Consumer Protection on S.B. No. 2913**

The purpose and intent of this measure is to apply the offense of false labeling of Hawaii-grown coffee to:

- (1) All Hawaii-grown coffee, rather than only Hawaii-grown green coffee, cherry coffee, or parchment coffee; and
- (2) Any coffee that is mislabeled in regards to the grade standard requirements of rules adopted under chapter 147, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation; Hawaii Coffee Association; Onouli Farm, LLC; Hawaii Coffee Growers Association; Greenwell Farms; Kau Coffee Mill, LLC; and six individuals. Your Committees received comments on this measure from the Department of Agriculture and one individual.

Your Committees find that Act 328, Session Laws of Hawaii 2012, established stricter criminal penalties for falsely labeled Hawaii-grown cherry, parchment, and green coffee with regard to geographic origin. Unfortunately, the shortage of Hawaii-grown coffee caused by the coffee berry borer has increased the temptation to engage in coffee counterfeiting. Therefore, stricter penalties are

required for the mislabeling of all Hawaii-grown coffee, including roasted coffee, as well as for the mislabeling of grade standard requirements.

Your Committees note that grade standard requirements under rules adopted under chapter 147, Hawaii Revised Statutes, are referenced in section 2 of this measure because chapter 4-143, Hawaii Administrative Rules, specifies standards for various grades of coffee. Your Committees' intent is for any labeling of Hawaii-grown coffee that violates these grade standards to constitute the offense of false labeling of Hawaii-grown coffee, as proposed by this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture 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. 2913 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 4; Ayes with Reservations (Thielen). Noes, none. Excused, 3 (Dela Cruz, Wakai, Slom).

Commerce and Consumer Protection

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

**SCRep. 2120 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2615**

The purpose and intent of this measure is to:

- (1) Expand the offender database to require DNA collection from all persons arrested for the commission of a violent felony offense; and
- (2) Provide for the expungement of a DNA record, in certain circumstances.

Your Committee received testimony in support of this measure from the Department of Public Safety, Maui Police Department, Department of the Prosecuting Attorney of the City and County of Honolulu, and DNA Saves. Your Committee received testimony in opposition to this measure from the Department of the Attorney General and Honolulu Police Department.

Your Committee finds that DNA collection is important in confirming the arrestee's identity; providing background information that increases the safety of staff, the detainee population, and the new detainee; identifying the correct perpetrator and exonerating the innocent; creating more efficient investigative practices; and reducing law enforcement costs. Currently, almost thirty states, the federal government, and the Department of Defense are authorized to collect DNA samples from arrestees.

Your Committee has amended this measure by deleting its contents and inserting language to:

- (1) Establish a new section in chapter 844D, Hawaii Revised Statutes, to require DNA collection from all persons arrested for the commission or attempted commission of a felony offense involving a violent crime and to establish collection responsibilities of the arresting authority;
- (2) Amend section 831-3.2, Hawaii Revised Statutes, to provide for the expungement of arrestee DNA;
- (3) Amend section 844D-71, Hawaii Revised Statutes, to restrict the applicability of that section to expungement of DNA samples, specimens, and profiles provided by arrestees pursuant to the new section in chapter 844D, Hawaii Revised Statutes;
- (4) Amend sections 844D-83(a), 844D-113(a)(1), and 844D-(114)(a)(1), Hawaii Revised Statutes, to include the unauthorized use of samples or profiles of individuals arrested for violent felony offenses;
- (5) Insert an appropriation to cover expenses of DNA collection and analysis;
- (6) Change the effective date to January 1, 2015, with the appropriation effective on July 1, 2014; and
- (7) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2615, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2615, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 2121 (Joint) Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing on S.B. No. 2581**

The purpose and intent of this measure is to:

- (1) Modify the composition, quorum requirement, and duties of the State Building Code Council;
- (2) Amend the state building code, including the clarification of terminology, code adoption process, and staggering of code adoptions;
- (3) Prohibit the State Building Code Council from adopting provisions in the Hawaii state building codes that conflict with laws governing contractors; and
- (4) Appropriate funds to the Department of Accounting and General Services for the State Building Code Council and staff to carry out their duties and functions, including operating costs and staff salaries.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Health; Department of Defense State Civil Defense; Department of Accounting and General Services; Department of Planning and Permitting of the City and County of Honolulu; Hawaii State Fire Council; Honolulu Fire Department; Department of Fire and Public Safety of the County of Maui; Kauai Fire Department; Building Industry Association of Hawaii; State Building Code Council; Structural Engineers Association of Hawaii; Laborers' International Union of North America Local 368; Insurance Institute for Business and Home Safety; International Code Council; Pacific Resource Partnership; Local Jobs for Local People; General Contractors Association of Hawaii; American Institute of Architects; and one individual. Your Committees received testimony in opposition to this measure from the American Chemistry Council. Your Committees received comments on this measure from the Hawaii Building and Construction Trades Council.

Your Committees find that modern building codes are necessary to protect the citizens of Hawaii. In 2012, the State Building Code Council recommended an updated series of codes to be established as the new Hawaii State Building Code. However, due to a lack of funding, the process was never completed. This measure addresses the importance of the State Building Code Council's composition and duties to benefit the integrity of the code adoption process and appropriates funds to support the State Building Code Council's efforts to adopt a uniform set of statewide building codes and consistent standards.

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 Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2581, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2581, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 2122 (Majority) Transportation and International Affairs on S.B. No. 172**

The purpose and intent of this measure is to amend the law relating to counties.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language to establish the County of Niihau as a separate county from the County of Kauai, under the jurisdiction and control of the Department of Land and Natural Resources.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 172, as amended herein, and recommends that it be recommitted to the Committee on Transportation and International Affairs, in the form attached hereto as S.B. No. 172, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, 1 (Kouchi). Excused, 1 (Slom).

**SCRep. 2123 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2300**

The purpose and intent of this measure is to:

- (1) Authorize the State Fire Council to establish statewide qualifications, testing, and credentialing that conform with the adopted state fire code and nationally recognized standards, for individuals conducting maintenance and testing of fire extinguishers and fire protection and fire alarm systems; and
- (2) Authorize the State Fire Council to implement statewide memoranda of understanding and agreements for the effective use of fire and life safety resources.

Your Committee received testimony in support of this measure from the State Fire Council, Honolulu Fire Department, Hawaii County Fire Department, Kauai Fire Department, and Maui Fire Department.

Your Committee finds that fire extinguishers and fire protection and fire alarm systems require routine maintenance to ensure reliable operability when used by fire department personnel and to protect building occupants during emergency situations. Individuals that conduct maintenance testing must be licensed; however, the current exam has not been revised for several years. This measure will allow the State Fire Council to implement statewide memoranda promoting fire and life safety resources and to update and establish statewide qualifications, testing, and credentialing standards for maintenance and testing of fire safety systems.

Your Committee has amended this measure as suggested by the State Fire Council, Honolulu Fire Department, Hawaii County Fire Department, Kauai Fire Department, and Maui Fire Department by adding language allowing the State Fire Council to establish statewide qualifications, testing, certification, and credentialing that conform with the adopted state fire code and nationally recognized standards for individuals who conduct maintenance testing of fire safety systems.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2300, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as S.B. No. 2300, 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 (Green, Slom).

**SCRep. 2124 Commerce and Consumer Protection on S.B. No. 2048**

The purpose and intent of this measure is to remove the sunset provision in Act 19, Session Laws of Hawaii 2011, thereby permanently allowing the Director of Commerce and Consumer Affairs to designate an access organization to oversee public, educational, and governmental channels.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Akakū: Maui Community Television, and sixteen individuals.

Your Committee finds that Act 19, Session Laws of Hawaii 2011, authorized the Director of Commerce and Consumer Affairs to designate public, educational, and governmental access organizations without going through the public procurement process and requirements. The State's efforts to safeguard the public electronic spectrum on cable has enabled the establishment of successful public, educational, and governmental access channels on cable systems in each county. This measure will permanently allow the Director to designate an access organization to oversee public, educational, and governmental channels and will also ensure that the Cable Advisory Committee continues to be able to advise the Director and access organizations on certain matters.

Your Committee further finds that Act 19 also requires the Department of Commerce and Consumer Affairs to conduct annual management and financial audits of designated public, educational, and governmental access organizations. Codified as section 440G-8.3(h), Hawaii Revised Statutes, this requirement is in addition to the annual independently audited financial statements that these organizations are already required to provide to the Department. Your Committee concludes that this requirement should be repealed, as it is a duplicative expense for the Department and an unnecessary use of subscribers' fees.

Your Committee has amended this measure by:

- (1) Repealing the requirement that the Department of Commerce and Consumer Affairs conduct annual management and financial audits of designated public, educational, or governmental access channels;
- (2) Updating the purpose section of this measure for clarity; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2048, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 2125 Commerce and Consumer Protection on S.B. No. 2484**

The purpose and intent of this measure is to provide a remedy for community associations to recover unpaid assessments for a share of common expenses up to the time of a grant or conveyance of property.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners; Community Associations Institute, Hawaii Chapter; and two individuals.

Your Committee finds that escrow companies and other interested parties are usually aware of a lien of a condominium association. However, it is not uncommon for escrow companies and other interested parties to handle the sale of a non-condominium, planned community association unit and overlook the collection of the association's unpaid assessments for the unit. Your Committee further finds that this measure addresses these concerns by adopting existing language on voluntary sales from state condominium law into chapter 421J, Hawaii Revised Statutes, the planned community association chapter. By doing so, this measure will clarify the responsibilities of a planned community association, unit owners, the buyer, and escrow officers in a voluntary conveyance and protect the interests of the planned community association and the purchasers of a unit governed by a planned community 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. 2484 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 (Taniguchi).

**SCRep. 2126 (Joint) Agriculture and Economic Development, Government Operations and Housing on S.B. No. 2296**

The purpose and intent of this measure is to:

- (1) Authorize the Department of Agriculture to select qualified applicants as back-up lessees when disposing of certain agricultural or non-agricultural park lands through the sealed bidding process; and
- (2) Authorize the Department to negotiate with a back-up lessee in the event the highest offering bidder or lessee fails to finalize a lease with the Department for any reason.

Your Committees received testimony in support of this measure from the Department of Agriculture.

Your Committees find that it takes a significant amount of time and work for the Department of Agriculture to select awardees for its agricultural leases through the sealed bidding process. Unfortunately, once an awardee is selected, awardees often cannot finalize the lease for various reasons and the Department must restart the sealed bidding process from the beginning. This measure will save the Department significant time and energy by allowing the Department to select back-up lessees in the event the initial awardee fails to finalize a lease.

Your Committees have amended this measure by:

- (1) Clarifying that the purpose of this measure is to allow the Department of Agriculture to create an alternative list of qualified applicants to lease agricultural lands in the event an initial awardee fails to complete the lease process;
- (2) Conforming the eligibility criteria for lessees of agricultural park lands with that of lessees of non-agricultural park lands by, among other things:
  - (A) Removing the requirement that a lease applicant, or applicant's spouse, must not own agriculturally zoned land of twenty-five acres or more in the State; and
  - (B) Inserting the requirement that the lease applicant must be determined by the Department to have a beneficial impact on agriculture;
- (3) Moving the language authorizing back-up lessees for non-agricultural park leases from section 166E-8, Hawaii Revised Statutes, to section 166E-11, Hawaii Revised Statutes, relating to lease negotiations; and
- (4) 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 Agriculture and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2296, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2296, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 6. Noes, none. Excused, 1 (Wakai).

Economic Development, Government Operations and Housing

Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Wakai).

**SCRep. 2127 (Joint) Human Services and Health and Commerce and Consumer Protection on S.B. No. 2228**

The purpose and intent of this measure is to:

- (1) Establish a Fall Prevention and Early Detection Coordinator position within the Department of Health;
- (2) Remove civil service and collective bargaining hiring requirements for the Alzheimer's Disease and Related Dementia Services Coordinator;
- (3) Appropriate funds for the Alzheimer's Disease and Related Dementia Services Coordinator and various kupuna programs and senior centers;
- (4) Establish within the Executive Office on Aging and appropriate funds for an education and awareness campaign on long-term care;
- (5) Establish and appropriate funds for a permanent prevention of elder abuse and fraud position within the Executive Office on Aging; and
- (6) Appropriate funds for awareness and education of elder abuse, neglect, and fraud.

Your Committees received testimony in support of this measure from the Department of Health; Department of Commerce and Consumer Affairs; Executive Office on Aging; Office of the Mayor, City and County of Honolulu; Department of the Prosecuting Attorney, City and County of Honolulu; Maui County Office on Aging; Policy Advisory Board for Elder Affairs; AARP Hawaii; Catholic Charities Hawaii; Lanakila Meals on Wheels; Child and Family Service; Hawaii Family Caregiver Coalition; Injury Prevention Advisory Committee; Project Dana; Hawaii Fall Prevention Consortium; Moiliili Community Center; American Council of Life Insurers; Hawaii Healthy Aging Partnership; and fifty-two individuals. Your Committees received comments on this measure from the Hawaii Government Employees Association.

Your Committees find that it is important to support the needs of Hawaii's increasing elderly population. Among the elderly in Hawaii, falls are the leading cause of fatal injuries and injury-related hospitalizations. Hospital costs associated with falls total over \$65,000,000 each year. Your Committees further find that additional funding is needed to expand education and resources for not only fall prevention services, but also kupuna care and senior centers, elder abuse and fraud prevention services, and long-term care services.

Your Committees have heard the testimony of the Hawaii Government Employees Association expressing concern that this measure, by making the Alzheimer's Disease and Related Services Coordinator position exempt from civil service and collective bargaining laws, unnecessarily expands the number of exempt employees and is inconsistent with the purpose of the civil service law. Your Committees find that this issue raises concerns that merit further consideration.

Your Committees have amended this measure by:

- (1) Changing the appropriation amount for the kupuna care program from \$9,000,000 to \$4,200,000;

- (2) Changing the appropriation amount for the aging and disability resource center from \$1,900,000 to \$427,937 to reflect the balance that the counties need to continue their aging and disability resource center operations and management information systems;
- (3) Removing the language that would have created and appropriated funds for a prevention of elder abuse and fraud position within the Executive Office on Aging, and replacing it with language that establishes an Elder Justice Coordinator position and duties of the Coordinator and appropriates \$70,000 for that purpose;
- (4) Removing the appropriation for awareness and education of elder abuse, neglect, and fraud;
- (5) Adding language establishing and appropriating funds for a Long-Term Support and Services System and Resource Development Coordinator within the Executive Office on Aging and establishing duties of the Coordinator; and
- (6) 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, 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. 2228, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2228, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Health

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

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 2128 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2582**

The purpose and intent of this measure is to:

- (1) Require the Chief of Police to implement the International Association of Chiefs of Police Aviation Committee's "Recommended Guidelines for the use of Unmanned Aircraft";
- (2) Prohibit the installation of or the carrying of weapons aboard an unmanned aircraft system that is used for commercial purposes and is flown across or above the State;
- (3) Authorize the granting of search warrants to conduct aerial surveillance of specified persons or their properties without their consent while limiting the use of data obtained from unmanned aircraft systems without a search warrant; and
- (4) Establish as a violation of privacy in the second degree the intentional use of a model aircraft or unmanned aircraft system operated for commercial or business purposes to track a specific, identifiable person without the person's consent, except in the execution of a public duty or as authorized by law.

Your Committees received testimony in support of this measure from the Department of Transportation. Your Committees received testimony in opposition to this measure from the Honolulu Police Department. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Hawaii State Department of Defense; International Ventures Associates; and American Civil Liberties Union of Hawai'i.

Your Committees find that the use of unmanned aircraft systems in non-military applications can be very beneficial but can also pose significant risks if their capabilities are not thoroughly understood and controlled appropriately. This measure strikes a balance between the use of advanced technology for the general public good and protection of privacy.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2582 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 8; Ayes with Reservations (Kahale, Keith-Agaran). Noes, none. Excused, 1 (Gabbard).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 2129 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2608**

The purpose and intent of this measure is to make it unlawful for any law enforcement agency, state or local public agency, person, or entity to use an unmanned aircraft to gather information, including but not limited to images, photographs, or recordings, except under specified circumstances.

Your Committees received testimony in support of this measure from the Department of Transportation and American Civil Liberties Union of Hawai'i. Your Committees received testimony in opposition to this measure from the Honolulu Police Department,



The Nature Conservancy, Filipino Law Students Association, and Hawai'i Farm Bureau. Your Committees received comments on this measure from the State Department of Defense; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; and International Ventures Associates.

Your Committees find that unmanned aircraft technology is rapidly developing. Public Law 112-95 (2012) requires the Federal Aviation Administration to "accelerate the integration of civil unmanned aircraft systems into the national airspace system". While unmanned aircraft technology offers more efficient and cost saving methods to gather information, this new and innovative technology may also provide opportunities for abuse. While recognizing the progressive opportunities that unmanned aircrafts provide, your Committees also recognize the duty to protect Hawaii residents from threats to their constitutional right to privacy.

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 Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2608, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2608, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 8; Ayes with Reservations (Kahele, Slom). Noes, none. Excused, 1 (Gabbard).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 2130 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2730**

The purpose and intent of this measure is to establish driver licensing reciprocity privileges between Hawaii and foreign countries under certain conditions and to repeal the current statute regarding the Driver's License Reciprocity Committee.

Your Committees received testimony in support of this measure from the Department of Transportation. Your Committees received testimony in opposition to this measure from the Maui Police Department. Your Committees received comments on this measure from the Department of Customer Services of the City and County of Honolulu.

Your Committees find that as a gateway location between East and West, Hawaii is an international gathering place where peoples from all over the world migrate to live, work, and attend school. Hawaii residents also migrate to other countries for the same purposes. The ability to drive is critical to the quality of life in Hawaii and in many other countries. This measure facilitates the ability to drive by providing driver licensing reciprocity with other countries under specified conditions.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2730 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Gabbard).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 2131 Commerce and Consumer Protection on S.B. No. 2822**

The purpose and intent of this measure is to authorize the Department of Commerce and Consumer Affairs to conduct criminal history record checks on real estate appraiser license applicants, as required by federal law.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, and one individual.

Your Committee finds that pursuant to Title XI of the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Appraiser Qualifications Board has the authority to establish the qualification criteria for state licensing, certification, and recertification of real property appraisers. Your Committee further finds that the Appraiser Qualifications Board has adopted a requirement that all candidates for real property appraiser credentials must undergo background screening, a requirement that each state must implement no later than January 1, 2015. This measure permits the Department of Commerce and Consumer Affairs to conduct criminal background checks on real estate appraiser license applicants, thereby complying with federal law.

Your Committee has amended this measure by making a technical, nonsubstantive amendment 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. 2822, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2822, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2132 Commerce and Consumer Protection on S.B. No. 2494**

The purpose and intent of this measure is to ensure personal injury protection benefits remain consistent with prepaid health care plans by clearly specifying requirements for the reimbursement of drugs, supplies, and materials.

Your Committee received testimony in support of this measure from the Hawaii Insurers Council and GEICO. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs; Automated HealthCare Solutions, LLC; Work Injury Medical Association of Hawaii; and two individuals. Your Committee received comments on this measure from the Hawaii Medical Service Association.

Your Committee finds that this measure is intended to provide a clear understanding relating to the prescription, delivery, and payment of drugs, supplies, and materials. However, your Committee has heard the concerns that this measure may cause problems for the State's overall insurance system. Specifically, your Committee has heard testimony that personal injury protection benefits are tied into the motor vehicle insurance and workers' compensation supplemental medical fee schedules, and not to the individual reimbursement tables of multiple prepaid health care plans.

Your Committee respects and appreciates these concerns but believes that a method to contain costs, curtail overprescription, and discourage price gouging of drugs, supplies, and materials will ultimately benefit consumers and policyholders in the State; therefore, your Committee believes that this issue merits additional consideration by your Committee on Ways and Means.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2494, 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. 2133 (Joint) Energy and Environment and Commerce and Consumer Protection on S.B. No. 2857**

The purpose and intent of this measure is to amend the electronic device and television recycling program.

Your Committees received testimony in support of this measure from the Department of Health, City and County of Honolulu Department of Environmental Services, Ulupono Initiative, and Sierra Club of Hawaii. Your Committees received testimony in opposition to this measure from the Consumer Electronics Association. Your Committees received comments on this measure from Sims Recycling Solutions.

Your Committees find that the Electronic Waste and Television Recycling and Recovery Act is an important part of Hawaii's solid waste management system. In the current system, many businesses are allowed to create a mail-back only option to recycle their electronic products. Mail-back only programs involve shipping electronic goods back to the original manufacturer located outside of Hawaii. The effect of this is that many residents end up not recycling. In particular, this mail-back only policy is detrimental on the neighbor islands where some companies implement a mail-back only policy and no alternative for recycling. Making the recycling of electronic devices and televisions easier by implementing manufacturer recycling obligations and requirements will ensure convenient recycling for the public.

Your Committees have amended this measure by:

- (1) Inserting language to establish a penalty for any electronic device manufacturer and television manufacturer that falls short of its recycling obligations for the year as established by the Department of Health;
- (2) Inserting language to allow covered electronic devices and covered televisions collected from the five least populated islands with populations greater than 1,000 to count twice as much toward a manufacturer's recycling obligations for the year than covered electronic devices and covered televisions collected from the most populous island;
- (3) Amending language to require a manufacturer recycling plan to provide for various scheduled collection services based on the population of the island for every inhabited island with a population greater than 1,000;
- (4) Amending language to establish penalties if the department determines, after two revisions, that a manufacturer recycling plan is still insufficient; and
- (5) 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 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. 2857, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2857, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

Commerce and Consumer Protection  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 2134 (Joint) Energy and Environment and Commerce and Consumer Protection on S.B. No. 2934**

The purpose and intent of this measure is to establish the Hawaii community-based renewable energy program to make the benefits of renewable energy more accessible to a greater number of Hawaii residents.

Your Committees received testimony in support of this measure from Blue Planet Foundation, Sierra Club of Hawaii, Hawaii Solar Energy Association, Inter-Island Solar Supply, SolarCity, and three individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs; Public Utilities Commission; and Hawaii Electric Company, Inc.

Your Committees find that localized renewable energy generation has become increasingly attainable for all types of customers over the past several years. However, despite residential solar energy use statewide doubling in 2012, many individuals and households are currently unable to directly participate in renewable energy because of their location, building type, access to the electric utility grid, and other impediments.

Your Committees further find that creating a community-based renewable energy tariff structure will increase access to renewable generation, however your Committees also caution that this measure may have unintended program design consequences that would require future and untimely statutory amendments resulting in implementation barriers.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and inserting language to allow the Public Utilities Commission to establish community-based renewable energy tariffs on services provided to customers by an electric utility for the purpose of encouraging the widespread adoption of cost-competitive renewable energy technology in the State; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

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. 2934, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2934, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

Commerce and Consumer Protection

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

**SCRep. 2135 (Joint) Energy and Environment and Economic Development, Government Operations and Housing on S.B. No. 2198**

The purpose and intent of this measure is to establish a renewable fuels task force to perform a feasibility study involving locally produced renewable fuels and report its findings and recommendations to the Legislature.

Your Committees received testimony in support of this measure from the Hawaii Renewable Energy Alliance and Alliance of Automobile Manufacturers. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that the intent of the ten percent ethanol requirement enacted by Act 257, Session Laws of Hawaii 1997, and codified as section 486J-10, Hawaii Revised Statutes, is to provide energy independence from foreign oil, reduce statewide gasoline consumption, and establish industrial plants to produce ethanol locally. Despite several planned ethanol plants and an abundance of vacant sugar cane land, no plants have been built, leaving the intent of Act 257 unfulfilled. Further investigation and study are needed since different requirements for diesel fuel may be necessary, as gasoline with ethanol or other biofuels are not an equal substitute for biodiesel because of mechanical and warranty issues involved with diesel engines.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2198 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.

Energy and Environment

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

Economic Development, Government Operations and Housing

Ayes, 6. Noes, none. Excused, 1 (Baker).

**SCRep. 2136 (Joint) Energy and Environment and Economic Development, Government Operations and Housing on S.B. No. 2801**

The purpose and intent of this measure is to condition the acceptance of a variance from the mandatory solar water heating requirement for single-family dwellings for a demand water heater device upon certification of the demand water heater by a North American certification organization, including the Canadian Standards Association International; Air-Conditioning, Heating, and Refrigeration Institute; or Gas Appliance Manufacturers Association Certification Program.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaii Solar Energy Association.

Your Committees find that certification requirements for the gas tankless, on-demand water heater option for a solar water heating system variance application should be revised; specifically, only gas tankless, on-demand water heaters that are certified by a North American certification organization should be eligible for the variance, for quality assurance and consumer protection purposes.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2801 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.

Energy and Environment

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

Economic Development, Government Operations and Housing

Ayes, 6. Noes, none. Excused, 1 (Baker).

**SCRep. 2137 (Joint/Majority) Economic Development, Government Operations and Housing and Agriculture on S.B. No. 2397**

The purpose and intent of this measure is to create an agricultural technology park under the High Technology Development Corporation.

Your Committees received testimony in support of this measure from the Department of Agriculture, High Technology Development Corporation, Hawaii Farm Bureau Federation, and one individual.

Your Committees find that technology applications have greatly assisted farmers with various tasks. These tools monitor irrigation systems, mapping, grazing, pest management, harvest, weather, and fertilizer applications, all in real-time. These sophisticated technologies also have additional benefits in material cost, labor, and fuel savings, as the farmer can refer to electronic files rather than driving out to a specific field. Moreover, as the federal government moves forward with the FDA Food Safety Modernization Act, technological applications will be needed to assist farmers in tracking which crops were planted in which fields, soil types, and irrigation control.

Your Committees further find that former agricultural industrial lands of the Galbraith Trust have infrastructure and warehouses to support food safety, packaging, and processing, and to store produce farmed on the nearby lands. As such, an agricultural technology park can be planned and designed on these lands in consultation with various agencies, such as the City and County of Honolulu's Department of Planning and Permitting and Department of Environmental Services, to comply with the most current Wahiawa community town and master plan and Wahiawa urban design plan. After processes and technologies are updated to align with federal regulations, this state-owned land can provide the setting for bridging the agricultural and technology gap, while providing agritourism benefits.

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 Economic Development, Government Operations and Housing and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2397, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2397, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing

Ayes, 4; Ayes with Reservations (Baker). Noes, 1 (Thielen). Excused, 2 (Chun Oakland, Wakai).

Agriculture

Ayes, 5. Noes, 1 (Thielen). Excused, 1 (Wakai).

**SCRep. 2138 Human Services on S.B. No. 2188**

The purpose and intent of this measure is to provide adoptees who have attained eighteen years of age unfettered access to the adoptees' adoption records.

Your Committee received testimony in support of this measure from twelve individuals. Your Committee received comments on this measure from the Department of the Attorney General and two individuals.

Your Committee finds that Hawaii's adoption record law conditions access to adoption records on birthparent approval, which is a significant hurdle for adoptees to overcome. Historically, adoptees' access to adoption records was limited due to the prevailing idea that adopted children were better off if they were unaware of their adoption. Current research indicates that the secrecy surrounding adoption actually has detrimental effects on adoptees. Your Committee recognizes the substantial interest that adoptees have in learning their familial history. However, your Committee heard testimony expressing constitutional right to privacy concerns about this measure and finds that the concerns raised merit further consideration.

Therefore, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2188, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 2139 Human Services on S.B. No. 2507**

The purpose and intent of this measure is to afford greater protection to persons sixty years of age or older who are victims of crime by establishing mandatory minimum prison terms for certain offenses committed against persons sixty years of age or older.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu. Your Committee received testimony in opposition to this measure from the Community Alliance on Prisons.

Your Committee finds that it is important to protect Hawaii's aging population from becoming targets of financial crimes such as theft, identity theft, and robbery. Existing law holds criminals accountable for causing serious or substantial bodily injury to persons sixty years of age or older, but does not provide enhanced consequences for offenders who prey financially on or commit other types of offenses against individuals whom the defendant knows or reasonably should know are sixty years of age or older.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2507, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 2140 Human Services on S.B. No. 149**

The purpose and intent of this measure is to amend the law relating to human services.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amended this measure by deleting its contents and replacing it with language to appropriate funds to the Department of Human Services so that aging and disabled individuals on Medicaid can continue to receive necessary long-term care services.

Your Committee has amended this measure by adopting the proposed S.D. 1.

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. 149, as amended herein, and recommends that it be recommitted to the Committee on Human Services, in the form attached hereto as S.B. No. 149, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 2141 Water and Land on S.B. No. 180**

The purpose and intent of this measure is to amend the law relating to ocean management.

Prior to a hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing them with language to vest in the village elder who is domiciled on Niihau exclusive konohiki rights.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 180, as amended herein, and recommends that it be recommitted to the Committee on Water and Land, in the form attached hereto as S.B. No. 180, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Shimabukuro, Taniguchi).

**SCRep. 2142 Water and Land on S.B. No. 3003**

The purpose and intent of this measure is to amend the law relating to land.

Prior to a hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language to establish the County of Niihau under the jurisdiction of the Department of Land and Natural Resources.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3003, as amended herein, and recommends that it be recommitted to the Committee on Water and Land, in the form attached hereto as S.B. No. 3003, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Ruderman, Slom). Noes, none. Excused, 3 (Dela Cruz, Shimabukuro, Taniguchi).

**SCRep. 2143 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2138**

The purpose and intent of this measure is to amend the definition of “neighborhood electric vehicle” as used in chapter 291C, Hawaii Revised Statutes, to mean, among other things, that the vehicle has a fully laden weight as specified by the manufacturer of less than 3,000, rather than 1,800, and that the vehicle is designed to carry a maximum of six, rather than four, persons.

Your Committees received testimony in support of this measure from the Department of Transportation and Department of Business, Economic Development, and Tourism. Your Committees received comments on this measure from the City and County of Honolulu Department of Customer Services.

Your Committees find that the use of electric vehicles is gradually increasing in Hawaii. Therefore, laws need to keep abreast with the latest developments in electric vehicles.

Your Committees have amended this measure by:

- (1) Aligning the definitions of the term “neighborhood electric vehicle” in sections 286-2 and 291C-1, Hawaii Revised Statutes, by:
  - (A) For the definition in section 286-2, Hawaii Revised Statutes, increasing the maximum gross vehicle weight rating requirement to 3,000 pounds; and
  - (B) For the definition in section 291C-1, Hawaii Revised Statutes, deleting the requirement regarding the maximum number of passengers the vehicle is designed to carry, amending the requirement regarding number of wheels in contact with the ground, and amending the weight rating requirement; and
- (2) 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 Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2138, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2138, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 8. Noes, none. Excused, 1 (Gabbard).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 2144 Human Services on S.B. No. 2057**

The purpose and intent of this measure is to:

- (1) Extend the sunset date of the nursing facility sustainability program to December 31, 2015;
- (2) Appropriate funds out of the nursing facility sustainability program special fund for fiscal year 2014-2015; and
- (3) Exempt the nursing facility sustainability program special fund from the central service expenses assessment.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Human Services, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, and Hawaii Long Term Care Association.

Your Committee finds that funding the nursing facility sustainability program is necessary to increase the sustainability of nursing facilities in Hawaii and that nursing facilities are a critical part of the long-term safety net for the State’s aging population. Your Committee further finds that without the exemption provided by this measure, the nursing facility sustainability program will have to pay approximately \$500,000 per year in central service expenses assessments, which inhibits the program’s ability to sustain nursing facilities and improve services to Medicaid recipients.

Your Committee has amended this measure by amending session law language to ensure that all necessary provisions related to the nursing facility sustainability program special fund, including provisions related to monies deposited into the fund, are extended to December 31, 2015.

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. 2057, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2057, 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 (Kidani, Taniguchi).

**SCRep. 2145 Human Services on S.B. No. 2848**

The purpose and intent of this measure is to provide a child friendly process of hearing notification to children in child protection cases to avoid children being served the summons by a law enforcement officer.

Your Committee received testimony in support of this measure from the Department of Human Services and Department of the Attorney General. Your Committee received comments on this measure from the Judiciary, State of Hawaii.

Your Committee finds that it is not in the best interests of children who are parties to child protection cases to be served a summons by a law enforcement officer. When the Child Protective Act was amended by Act 135, Session Laws of Hawaii 2010, an oversight occurred that requires children to be served with a summons by a law enforcement officer. Your Committee finds that it is less intimidating and more therapeutic for children to receive notice of the petition, the date and time of the initial hearing, and the child's right to participate in the hearing through notification by the Department of Human Services.

Your Committee has amended this measure by:

- (1) Adding language requiring the Department of Human Services to provide notice to children in child protection hearings a minimum of twenty-four hours prior to the time set forth in the summons for a temporary foster custody hearing and a minimum of forty-eight hours prior to the time set forth in the summons for any other hearing; and
- (2) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2848, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2146 (Joint) Human Services and Education on S.B. No. 2441**

The purpose and intent of this measure is to provide a standardized framework and funding for after-school programs in public middle and intermediate schools by establishing the resources for enrichment, athletics, culture, and health (or R.E.A.C.H.) program within the Office of Youth Services.

Your Committees received testimony in support of this measure from the Office of the Lieutenant Governor, Department of Education, Board of Education, Office of Youth Services, Mililani Middle School, Molokai Middle School, Waiakea Intermediate School, Hana High and Elementary, Reach Out Hawaii, Oceanic Time Warner Cable, Pacific Links Hawaii, Island Insurance Companies, Hawaii Youth Services Network, After-School All-Stars Hawaii, Maui Economic Development Board, Hui for Excellence in Education, Hawaii Council on Physical Activity and Nutrition, Boys and Girls Club of Hawaii, and eleven individuals.

Your Committees find that the creation of a state-subsidized after-school program for middle and intermediate public school students is important to the future of Hawaii's keiki and the welfare of the State as a whole. More than one-fourth of children are left alone and unsupervised after school, and data indicates that juvenile violence peaks in the after-school hours on school days. In addition, Hawaii's dropout rate has reached over sixteen percent, and nearly half of high school drop outs report feeling that they started high school ill-prepared.

Your Committees find that middle and intermediate school years are a pivotal time for children, and high-quality after-school programs can lead to improved school attendance, better behavior, and better academic performance. It is important to keep children engaged in positive after-school activities because disconnected youth are more likely to become part of the juvenile justice system, and research indicates that each disconnected youth costs taxpayers nearly \$14,000 per year. In contrast, after-school programs keep children engaged in positive activities and on a path toward graduation and productive futures.

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 Human Services and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2441, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2441, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Education

Ayes, 3. Noes, none. Excused, 2 (Ruderman, Slom).

**SCRep. 2147 (Joint) Human Services and Education on S.B. No. 2234**

The purpose and intent of this measure is to repeal the child care licensing exemption for child care programs licensed by the Hawaii Council of Private Schools.

Your Committees received testimony in support of this measure from the Hawaii Association for the Education of Young Children. Your Committees received testimony in opposition to this measure from the Executive Office on Early Learning, Department of Human Services, and Hawaii Association of Independent Schools.

Your Committees find that it is important to ensure that child care programs and early childhood programs meet health and safety standards so that Hawaii's young children receive safe and quality care. Your Committees heard testimony from the Department of Human Services and Hawaii Association of Independent Schools expressing strong concerns that this measure would defeat collaborative efforts that have made significant progress toward implementation of Act 163, Session Laws of Hawaii 2012, and Act 140, Session Laws of Hawaii 2013, which this measure would repeal. The Department also testified that it does not have the resources to implement and staff the tasks that would be required if this measure is passed.

Your Committees have amended this measure by:

- (1) Inserting an appropriation of an unspecified amount to the Department of Human Services; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

If this measure is considered for passage by your Committee on Ways and Means, the Department of Human Services is expected to provide information regarding the amount of resources necessary to carry out the purposes of this measure and fund one full-time equivalent position (1.0 FTE).

As affirmed by the records of votes of the members of your Committees on Human Services and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2234, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2234, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Education

Ayes, 3. Noes, none. Excused, 2 (Ruderman, Slom).

**SCRep. 2148 Education on S.B. No. 2288**

The purpose and intent of this measure is to amend or repeal various sections of chapter 302A, Hawaii Revised Statutes (HRS), that:

- (1) Have already been accomplished and are no longer necessary to be codified in statute;
- (2) Impede rather than assist the Department of Education in meeting its core mission;
- (3) Fall under the purview of the Board of Education, such as policy and programmatic decisions;
- (4) Are already mandated by federal law and do not require codification in state statute; or
- (5) Are covered by another section of the HRS, Hawaii Administrative Rules, or Board of Education policy.

Your Committee received testimony in support of this measure from the Department of Education and League of Women Voters Hawaii.

Your Committee finds that in 2012, the Legislature passed Act 133, Session Laws of Hawaii 2012 (Act 133), which sought to clarify or resolve conflicting or inconsistent language in different sections of law and to amend or repeal various sections of chapter 302A, HRS. This measure continues to amend or repeal various sections of chapter 302A, HRS, for housekeeping or other purposes.

Your Committee has amended this measure by:

- (1) Adding language to require the Department of Education to post certain information annually on its website rather than repealing the requirement that the Department submit various reports to the Legislature, Governor, and Board of Education;
- (2) Removing language that made the selection of a student representative to each school community council from the elementary and middle school levels optional rather than mandatory; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2288, 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. 2149 Education on S.B. No. 2977**

The purpose and intent of this measure is to create a five-year pilot project within the Department of Education authorizing the Department to contract for the design, planning, and installation of fourth generation modular design buildings to maximize resources and better meet the growing and changing needs of Hawaii's public school campuses.

Your Committee received testimony in support of this measure from the Department of Education and one individual.

Your Committee finds that the needs and enrollment in Hawaii's public schools have shifted and changed over time. Many schools are at capacity and do not have the facilities to adequately handle continued growth, while others struggle to find space to deliver needed programs and services.

Your Committee further finds that fourth generation modular design building systems, such as the Sprout Space classrooms designed by the company Perkins+Will, are designed to enhance student learning by incorporating sustainable green building strategies that reduce energy costs, reduce construction costs, provide flexibility, and create healthier learning environments. This measure authorizes the Department of Education to pursue options for similar fourth general modular design building systems for Hawaii's public schools.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

If this measure is considered for passage by your Committee on Ways and Means, your Committee has asked the Department of Education to provide information on the amount of funding it will need to carry out the pilot project.



As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2977, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2977, 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. 2150 Technology and the Arts on S.B. no. 2547**

The purpose and intent of this measure is to:

- (1) Establish a temporary Fiftieth Anniversary of the State Foundation on Culture and the Arts Commission within the Office of the Governor to plan and coordinate the public celebration of the fiftieth anniversary of the State Foundation on Culture and the Arts; and
- (2) Make an appropriation to the Office of the Governor to be used by the Fiftieth Anniversary of the State Foundation on Culture and the Arts Commission.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee finds there are various program activities to be planned and scheduled to celebrate and commemorate the fiftieth anniversary of the State Foundation on Culture and the Arts. This measure appropriates funds to allow a temporary Commission to coordinate the celebration.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2547 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. 2151 Technology and the Arts on S.B. No. 2598**

The purpose and intent of this measure is to establish the Hawaii Commission on African American History and Culture to recognize the contributions of and educate Hawaii's citizens on the African American people in Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Dr. Martin Luther King, Jr. Coalition; Prince Hall Grand Lodge of Hawaii; Baham-Goldsborough Hawaii Chapter of Tuskegee Airman, Inc.; and five individuals.

Your Committee finds that African American people have contributed significantly to all phases of Hawaii's development. Recognition of the contributions of the African American people and their culture is important to the promotion and awareness of Hawaii's diverse and multicultural society.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2598 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. 2152 (Majority) Judiciary and Labor on S.B. No. 2366**

The purpose and intent of this measure is to increase the guaranteed monthly compensation amount of an employee from \$2,000 to \$5,000, at which amount the employee will be exempt from minimum wage, overtime, and recordkeeping requirements under the wage and hour laws.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations. Testimony in opposition to this measure was submitted by the Hawaii Food Industry Association, The Chamber of Commerce of Hawaii, and Island Princess.

Your Committee finds that the wage and hour laws were established to safeguard existing minimum wage and maximum hour standards to maintain the health, efficiency, and general wellbeing of workers. Under existing law, an individual who receives a guaranteed compensation of \$2,000 or more per month is excluded from the wage and hour laws, enabling the employer, if subject to the wage and hour laws, to mandate the individual to work an unlimited number of hours without having to pay the individual overtime. Since the \$2,000 guaranteed compensation threshold amount was established, increases in the minimum wage rate have resulted in the guaranteed compensation amount being closer to the monthly compensation of a minimum wage worker who is covered under the wage and hour laws. This measure raises the threshold amount for guaranteed compensation to more closely align with increases in the minimum wage rate and inflation.

Your Committee recognizes the concerns raised in the written testimony that the increase in the guaranteed compensation amount is too large and sudden and may impose heavy financial burdens on businesses. Your Committee also notes that the guaranteed compensation threshold amount proposed under this measure could more closely reflect the increases in the minimum wage rate and inflation. The Department of Labor and Industrial Relations testified that the \$2,000 guaranteed compensation threshold amount was enacted in 2002, when the minimum wage rate was \$5.75 per hour and increased to \$6.25 per hour on January 1, 2003. The minimum wage rate is currently \$7.25 per hour. Also since 2002, the consumer price index has increased thirty percent. Thus, the \$2,000 guaranteed compensation threshold amount is approximately \$2,590 in 2013 dollars. Rather than setting a fixed guaranteed compensation threshold amount, the Department proposed a mechanism that would maintain consistency with minimum wage and inflation over time without the need for frequent legislative intervention. This mechanism determines the guaranteed compensation

threshold by multiplying the minimum wage by 320. Three hundred twenty represents the current exemption amount (\$2,000) divided by \$6.25, which was the minimum wage increase going into effect the last time this exemption was increased in 2002.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the language proposed by the Department of Labor and Industrial Relations that establishes the guaranteed compensation amount by multiplying the minimum wage rate by three hundred twenty, which retains the same proportion of the existing guaranteed compensation threshold amount to the applicable minimum wage (\$2,000:\$6.25); and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2366, 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 (Slom). Excused, 1 (Ihara).

**SCRep. 2153 Commerce and Consumer Protection on S.B. No. 2948**

The purpose and intent of this measure is to clarify the Public Utilities Commission's authority concerning standard administrative practices, including operational expenditures and the hiring of personnel.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Public Utilities Commission, Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, Life of the Land, and one individual.

Your Committee finds that the Public Utilities Commission is undergoing a major transition due to increased work complexity and program responsibilities, particularly in the area of energy regulation. A streamlined administrative process that clearly defines the authority of the Commission's Chairperson to make decisions on hiring and operational expenditures is therefore necessary. Your Committee further finds that this measure will help avoid future ambiguity regarding the Commission's autonomy and ability to hire appropriate personnel and make necessary expenditures, thereby enabling the Commission to carry out its various regulatory responsibilities within a legislatively approved budget.

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. 2948 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 (Nishihara, Slom).

**SCRep. 2154 Commerce and Consumer Protection on S.B. No. 2924**

The purpose and intent of this measure is to increase the balance that may be retained in the public utilities commission special fund at the end of each fiscal year.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Public Utilities Commission, Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, Blue Planet Foundation, Friends of Lana'i, and one individual.

Your Committee finds that the public utilities commission special fund is the primary source of funding for the operations of the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs. Since fiscal year 2009, the amount of transfers from the public utilities commission special fund to the State's general fund has averaged approximately \$11,200,000 per year. Your Committee recognizes the benefits these transfers provide to the State but notes that the funds collected under the public utility fee are derived from public utility company revenues and are paid directly by ratepayers for the purpose of providing regulatory oversight.

Your Committee further finds that dedicating a higher portion of the public utilities commission special fund to support the operations of the Public Utilities Commission and the Division of Consumer Advocacy would be advantageous for the State, especially in light of the increasing complexity and size of the Public Utilities Commission's workload. Your Committee also finds that raising the public utilities commission special fund carryover balance will also help with encumbering of contracts, which both agencies must rely on in an era of increasingly technical electricity regulation. This measure therefore enables the Public Utilities Commission and the Division of Consumer Advocacy to fulfill their respective statutory duties.

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. 2924 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 (Nishihara, Slom).

**SCRep. 2155 Commerce and Consumer Protection on S.B. No. 2821**

The purpose and intent of this measure is to:

- (1) Adopt revisions to the National Association of Insurance Commissioners model laws on Credit for Reinsurance Model Act, Standard Valuation Law, Standard Nonforfeiture Law for Life Insurance, and Insurance Holding Company System Regulatory Act; and

- (2) Ensure the Insurance Division of the Department of Commerce and Consumer Affairs maintains its accreditation with the National Association of Insurance Commissioners.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, USAA, Lloyd's of London, Reinsurance Association of America, American Council of Life Insurers, and one individual. Your Committee received comments on this measure from the Office of Information Practices and National Association of Mutual Insurance Companies.

Your Committee finds that the revisions to the State's Insurance Code in this measure are part of the National Association of Insurance Commissioners' Solvency Modernization Initiative, a critical self-examination to update the nation's insurance solvency regulation framework and review international developments regarding insurance supervision, banking supervision, and international accounting standards and their use in the country's insurance regulation. The Solvency Modernization Initiative focuses on key issues, including capital requirements, governance and risk management, group supervision, statutory accounting and financial reporting, and reinsurance.

Your Committee further finds that the National Association of Insurance Commissioners' financial regulation standards and accreditation program ensure that each state has adequate solvency laws and regulations to protect consumers and guarantee reserve funds. This measure will therefore help protect consumers in Hawaii and ensure that the Insurance Division of the Department of Commerce and Consumer Affairs retains its accreditation with the National Association of Insurance Commissioners.

Your Committee has amended this measure by:

- (1) Clarifying that documents, materials, or other information that are already confidential by law and privileged shall not be disclosable under chapter 92F, Hawaii Revised Statutes, rather than not subject to the requirements of chapter 92F, Hawaii Revised Statutes;
- (2) Clarifying that disciplinary action by the Insurance Commissioner against an appointed actuary, rather than against a qualified actuary, shall be defined in regulations, to conform to the National Association of Insurance Commissioners Standard Valuation Law;
- (3) Specifying that the nonforfeiture interest rate for life insurance policies issued prior to the operative date of the valuation manual shall not be less than four percent, to conform to the National Association of Insurance Commissioners Standard Nonforfeiture Law for Life Insurance;
- (4) Clarifying corporate confidentiality language pertaining to insurance holding company systems, to conform to the National Association of Insurance Commissioners Insurance Holding Company System Regulatory Act; and
- (5) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2821, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2821, 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. 2156 (Joint/Majority) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on S.B. No. 2761**

The purpose and intent of this measure is to:

- (1) Specify that a government agency does not assume ownership or jurisdiction over a disputed road solely through maintenance or repair activities;
- (2) Authorize the State to quitclaim ownership of roads in favor of counties; and
- (3) Establish necessary funding for the maintenance and repair of disputed roads through the authorization of an additional county surcharge on state tax.

Your Committees received testimony in support of this measure from the Department of Transportation and Department of Public Works of the County of Kauai. Your Committees received testimony in opposition to this measure from the Hawai'i Association of REALTORS. Your Committees received comments on this measure from the Department of Taxation, Department of Land and Natural Resources, and Tax Foundation of Hawaii.

Your Committees find that government agencies have been reluctant to assume maintenance responsibilities on "roads in limbo" as a precaution against liability since maintenance could be interpreted as assuming jurisdiction or ownership of the disputed road. Ownership usually implies liability for injury and damages arising out of the condition of the property. This measure addresses that reluctance by providing that a government agency that undertakes such maintenance or repair shall not be deemed to have assumed ownership or jurisdiction over the road solely because of such action.

Your Committees further find that allowing the counties to adopt ordinances to levy a one-half percent surcharge on state general excise and use taxes for the purpose of maintenance or repair of disputed roads satisfies the constitutional requirement of article VIII, section 5, of the Hawaii State Constitution that requires the State to share in the cost of new mandated programs to the counties.

It is the intent of your Committees that counties may adopt ordinances under this measure only if they have not adopted ordinances pursuant to section 46-16.8, Hawaii Revised Statutes, relating to county surcharge on state tax.

Your Committees have amended this measure by:

- (1) Authorizing the county surcharge on state tax for only those counties that have not adopted an ordinance pursuant to section 46-16.8, Hawaii Revised Statutes, and making conforming amendments to delete references to the surcharge as an additional surcharge;
- (2) Setting the county surcharge at a uniform rate of one-half percent of all gross proceeds and gross income taxable under the general excise tax and use tax laws;
- (3) Amending the authorized use of surcharges received by a county from operating costs of public transportation within the county for public transportation systems to maintenance and repair costs of disputed roads; and
- (4) 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 Transportation and International Affairs, Public Safety, Intergovernmental and Military Affairs, and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2761, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2761, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 7; Ayes with Reservations (Kahele, Solomon). Noes, 1 (Slom). Excused, 1 (Dela Cruz).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Green).

Judiciary and Labor

Ayes, 4; Ayes with Reservations (Solomon). Noes, none. Excused, 3 (Ihara, Shimabukuro, Slom).

**SCRep. 2157 Transportation and International Affairs on S.B. No. 2732**

The purpose and intent of this measure is to set a minimum fine of \$100 for driving or parking a vehicle on a bicycle lane or bicycle pathway.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Transportation Services of the City and County of Honolulu, and one individual.

Section 291C-123, Hawaii Revised Statutes, establishes a maximum fine of \$500, but a minimum fine of \$35 is usually ticketed by an enforcing officer for driving or parking a vehicle on a bicycle lane or pathway. Your Committee finds that obstruction of bicycle lanes and bicycle paths by motorists is a real and present danger and poses a safety hazard to bicyclists and to neighborhoods. Accordingly, the intent of your Committee is to deter illegal parking upon bicycle lanes and bicycle paths by statutorily imposing a minimum fine of \$100 for those respective offenses.

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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2732, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2732, 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, 3 (Espero, Solomon, Slom).

**SCRep. 2158 Transportation and International Affairs on S.B. No. 2726**

The purpose and intent of this measure is to allow an all-terrain vehicle (ATV) to be driven on a street if the ATV is being used as farm equipment, if the operator holds a current category (3) license or a commercial driver's license, and if the operator and passengers wear safety helmets secured with a chin strap.

Your Committee received testimony in support of this measure from the Hawaii Cattlemen's Council, Inc.; Hamakua County Farm Bureau; Hawaii's Agricultural Partnerships; and one individual. Your Committee received testimony in opposition to this measure from the Department of Transportation, Honolulu Police Department, and Maui Police Department.

Your Committee finds that the regulation of ATVs is a matter of public safety. According to the United States Consumer Product Safety Commission, an estimated 135,100 ATV-related injuries were treated in hospital emergency rooms nationwide in 2008. In addition, there were 9,633 reported deaths between 1982 and 2008, with fourteen of those deaths occurring in Hawaii. Your Committee believes that the use of ATVs is particularly dangerous for minors.

Your Committee was informed in testimony that a new type of agricultural equipment being used is the utility-terrain vehicle. Many farms and ranches are split up by public roads. Utility-terrain vehicles make it possible for farmers and ranchers to drive from one part of the farm or ranch to another part, which is either across the road or within a mile or two. Using the same piece of equipment in the field to travel on a street from one part of the farm or ranch to another is a matter of practicality and convenience to farmers and ranchers.

Your Committee has amended this measure by:

- (1) Applying this measure to "utility-terrain vehicles" in addition to ATVs and defining the term "utility-terrain vehicle"; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2726, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Espero, Solomon, Slom).

**SCRep. 2159 Transportation and International Affairs on S.B. No. 2727**

The purpose and intent of this measure is to extend the sunset date of Act 46, Session Laws of Hawaii 2012, to authorize the Department of Transportation to extend the term of an airport concession, and to modify and amend the terms of any concession contracts, leases, and permits in exchange for revenue-enhancing improvements that are made or paid for by the concession.

Your Committee received testimony in support of this measure from the Department of Transportation; Airport Concessionaires Committee; HMSHost; Island Shoppers, Inc.; and GRL Corporation.

Act 46, Session Laws of Hawaii 2012, provides the Department of Transportation with the authority and discretion to reach an agreement with an airport concessionaire to extend the term of the concession and to modify and amend terms of any concession contract, lease, or permit in exchange for revenue-enhancing improvements that are made or paid for by the concessionaire. Act 46 expires on July 1, 2014.

Your Committee finds that modernization and improvements at Hawaii's airport concessions have not kept pace with passenger needs and demands. A recent study by the State indicates that various areas at our public airports are lacking in concession space by as much as forty percent, and that Hawaii's public airports are not maximizing concession revenues. It is important that the Department of Transportation and concessionaires work together in achieving the improvements contemplated in an expeditious but fair and equitable manner, including amendments extending the term of a concession lease or permit at the Department of Transportation's discretion.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2727, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2727, 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, 4 (Dela Cruz, Espero, Solomon, Slom).

**SCRep. 2160 (Majority) Transportation and International Affairs on S.B. No. 2729**

The purpose and intent of this measure is to:

- (1) Prohibit the operation of a motor vehicle while using a mobile electronic device held in a person's hand for making or receiving a non-emergency call, texting, or receiving a text message;
- (2) Add exemptions to the prohibition;
- (3) Amend the penalties for violations; and
- (4) Deem a violation to be a traffic infraction.

Your Committee received testimony in support of this measure from Honda of North America, Inc., and thirteen individuals. Your Committee received testimony in opposition to this measure from the Department of Transportation, County of Hawai'i Police Department, City and County of Honolulu Police Department, Office of the Prosecuting Attorney of the County of Kaua'i, Safe Community of Maui, and one individual. Your Committee received comments on this measure from the State Judiciary.

After the passage of Act 74, Session Laws of Hawaii 2013, which enacted the mobile electronic devices law (codified as section 291C-137, Hawaii Revised Statutes), the Legislature received numerous complaints from the public about the vagueness and ambiguity of the law and the onerous burden of requiring violators to make a court appearance. Particularly for neighbor islands, a person is likely to have to travel many miles to appear in court and wait for the case to be called, which consumes a whole day's worth of time. According to testimony of the Judiciary on this measure, "Since the inception of the current law there have been 7,184 mobile device cases statewide of which 4,171 cases have been adjudicated. However, in almost 900 of these cases a bench warrant has been issued for those defendants who did not make a court appearance. In some cases where the warrants have been served, defendants have also been convicted of contempt of court for failure to appear. For these cases, defendants have a criminal conviction record which is recorded in the Hawaii Criminal Justice Center's CJIS database."

Your Committee finds that it was never the intent of the Legislature that violators be forced to appear in court rather than mailing in the fine without a court appearance as allowed under chapter 291D, Hawaii Revised Statutes, relating to adjudication of traffic violations. Your Committee further finds that the existing law is fraught with traps for those who use mobile electronic devices in situations that are within the realm of safe driving to a reasonable person.

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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2729, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Gabbard). Excused, 4 (Dela Cruz, Espero, Solomon, Slom).

**SCRep. 2161 Transportation and International Affairs on S.B. No. 2488**

The purpose and intent of this measure is to appropriate funds for the traffic signal capital improvement project at the intersection of Piilani Highway and Kulanihakoī Street in Kihei, Maui.

Your Committee received testimony in support of this measure from the Maui Research & Technology Park, Maui Economic Development Board, Kihei High School Action Team, and three individuals. Your Committee received testimony in opposition to this measure from the Department of Transportation and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that there have been numerous traffic accidents and near-accidents at the intersection of Piilani Highway and Kulanihakoī Street in Kihei, Maui. According to the Maui Police Department, between January 1, 2012, and December 31, 2013, there were six major crashes, defined as crashes with injuries or property damage greater than \$3,000, or both, at this intersection. There were also five minor crashes, defined as crashes with no injuries and property damage less than \$3,000, during this time at the same intersection.

The intersection of Piilani Highway and Kulanihakoī Street will also be the entrance to the new high school in Kihei, scheduled to open in 2018. Kihei is one of Maui's fastest growing communities in the State and with the construction, development, and opening of the high school, it is more important than ever to make traffic safety, bus safety, and pedestrian safety in this area a top priority. The plan, design, and construction of a traffic signal at the intersection of Piilani Highway and Kulanihakoī Street will help prevent future congestion and ensure traffic, bus, and pedestrian safety.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2488 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, 4 (Dela Cruz, Espero, Solomon, Slom).

**SCRep. 2162 Education on S.B. No. 2516**

The purpose and intent of this measure is to appropriate funds to the State Public Charter School Commission (Commission) to support its facilities pilot project.

Your Committee received testimony in support of this measure from the State Public Charter School Commission, Kamehameha Schools, Ho'okako'o Corporation, Hawaiian Education Council, Hawaii Public Charter Schools Network, School for Examining Essential Questions of Sustainability, Hawaii Academy of Arts and Science Public Charter School, Ke Kula 'O Nāwahīokalani'ōpu'u Iki, and thirty-seven individuals.

Your Committee finds that funding for facilities at Hawaii's charter schools has been a long standing issue that needs creative solutions. The Commission has created a pilot project for the allocation of funds to various charter schools for small scale facilities projects based, in part, on the need and performance of the charter schools. The Commission has currently allocated \$680,000 of federal impact aid for this pilot project, and if it keeps to its proposed timeline, the Commission would be able to vet first round projects prior to any general funds being released, should this measure pass. This measure will provide additional support to the pilot project to assist charter schools with their facilities needs, understanding that these funds are more flexible and can take into account a range of situations from lease rent to capital campaigns.

Your Committee has amended this measure by inserting an appropriation amount of \$1,200,000 based on the Commission's oral testimony that the original amount of federal impact aid the Commission had set aside for the facilities pilot project was \$1,200,000.

Your Committee notes that the Commission is awaiting an opinion by the Attorney General on whether the Commission can use federal impact aid for its facilities pilot project. Your Committee has asked the Commission to inform your Committee and any committees that may subsequently consider this measure as soon as it receives the Attorney General's opinion on this issue.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2516, 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. 2163 Education on S.B. No. 2517**

The purpose and intent of this measure is to:

- (1) Authorize the State Public Charter School Commission (Commission) to request the issuance of general obligation bonds from the Director of Finance and to allocate the proceeds thereof for the design, planning, construction, repair, and maintenance of public charter school facilities;
- (2) Create a working group comprising of the Chair of the Commission, Executive Director of the Commission, Director of Finance, Chair of the Senate Committee on Ways and Means, and Chair of the House of Representatives Committee on Finance, or their designees; and
- (3) Task the working group with determining the criteria for and prioritization of the allocation of the proceeds of any issuance of general obligation bonds for public charter school facilities, based in part on the performance and need of the public charter schools.

Your Committee received testimony in support of this measure from the State Public Charter School Commission, Kamehameha Schools, Hawai'i Public Charter School Network, and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance and Kama'aha Education Initiative.

Your Committee finds that funding for facilities at Hawaii's charter schools has been a long standing issue that needs creative solutions. Throughout the summer and fall of 2013, key stakeholders from the charter school community, Board of Education, Department of Education, Department of Budget and Finance, Governor's Office, and Legislature met as an informal working group to develop innovative and unique approaches to address a number of funding challenges faced by charter schools.

This measure will provide the Commission and charter schools with a means of financing the design, planning, construction, repair, and maintenance of charter school facilities in a way that is responsive to charter schools' performance and needs. This measure also involves the relevant financial stakeholders in helping to determine the criteria for and the prioritization of the allocation of bond revenues for public charter school facilities.

Your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$5,000,000; and
- (2) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2517, 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. 2164 Education on S.B. No. 2236**

The purpose and intent of this measure is to authorize the Executive Office on Early Learning (Office) to enter into agreements with the Department of Education and charter schools for use of vacant or underutilized classrooms as public preschool classrooms.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning; Department of Human Services; Department of Education; Kamaile Academy Public Charter School; Kualapu'u Public Conversion Charter School; Hawaii Association of Independent Schools; Good Beginnings Alliance; Ho'okako'o Corporation; Institute for Native Pacific Education and Culture; Kamehameha Schools; Hawai'i Association for the Education of Young Children; Hui for Excellence in Education; Hawaii Primary Care Association; The Chamber of Commerce of Hawaii; Legislation Committee of the Democratic Party of Hawaii; IMUAlliance; Ka HULI Mua, LLC; Hawaii State Teachers Association; and eighty-five individuals.

Your Committee finds that the significant, long-term benefits realized through investments in high-quality, early learning systems have been proven through decades of research. The Department of Education and charter schools may have facilities and highly qualified professionals that can provide Hawaii's children with access to public preschools. This measure will direct the Office to enter into agreements with the Department of Education and charter schools to provide students with the opportunity to attend a public preschool and ensure greater school readiness prior to entering kindergarten. In many of our communities, public preschools will play a critical role as part of a mixed delivery system given the lack of access to private preschool providers.

The Office has already identified thirty-two classrooms in thirty schools statewide to operate public preschool programs. These programs will be staffed by Department of Education teachers and staff and will serve approximately six hundred forty children. The Office estimates that the thirty-two classrooms will require \$4,500,000 in funding.

Your Committee further finds that several charter schools have space available to operate public preschool programs. The Office estimates that to operate five public preschool programs in charter schools, it will need \$754,000 in funding.

Your Committee has amended this measure by:

- (1) Clarifying that the Office may enter into contracts with the Department of Education and charter schools for the use of available classrooms, rather than requiring the classrooms to be vacant or underutilized;
- (2) Adding language requiring the Office to enter into contracts with no more than five charter schools for the use of available classrooms for public preschool programs through June 30, 2019; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2236, 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. 2165 Education on S.B. No. 2421**

The purpose and intent of this measure is to:

- (1) Establish two interagency working groups to allow the Department of Education and Department of Accounting and General Services, and the Department of Education and Department of Health, respectively, to discuss various issues relating to Act 51, Session Laws of Hawaii 2004 (Act 51); and

- (2) Appropriate funds to the Department of Accounting and General Services for additional positions for school facilities repair and maintenance on the islands of Maui, Hawaii, and Kauai.

Your Committee received testimony in support of this measure from the Department of Education; Department of Accounting and General Services; Department of Health; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that Act 51 sought to revamp education in Hawaii by, in part, creating an interagency working group to develop plans for transferring certain rights, powers, functions, duties, and resources from various state departments to the Department of Education. The interagency working group ceased to exist on June 30, 2007.

Your Committee further finds that re-establishment of interagency working groups will help address various issues that either have not been fully resolved since Act 51 or have arisen as a result of the transferring of certain rights, powers, functions, duties, and resources from various state departments to the Department of Education. Many of these issues and concerns, as well as the need for additional repair and maintenance support on the neighbor islands, arose from discussions that took place during the 2013 interim when the Chair of your Committee on Education toured the State's fifteen complex areas to meet with and listen to the principals and staff.

Your Committee has amended this measure by:

- (1) Inserting an appropriation in the amount of \$180,000 to the Department of Education for the establishment of the interagency working groups and to fund two full-time equivalent (2.0 FTE) positions; and
- (2) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2421, 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. 2166 (Joint) Human Services and Higher Education on S.B. No. 3034**

The purpose and intent of this measure is to appropriate \$353,176 to restore the Hawaii Child Welfare Education Collaboration in order to assist with the recruitment and training of graduate students from the University of Hawaii Myron B. Thompson School of Social Work for child welfare positions at the Department of Human Services.

Your Committees received testimony in support of this measure from the Department of Human Services; University of Hawaii System; National Association of Social Workers, Hawaii Chapter; Family Programs Hawaii; and eleven individuals.

Your Committees find that the Department of Human Services is in serious need of experienced child welfare workers. As of December 2013, child welfare services had sixty-four vacant positions, and the Department is concerned about an increasing shortage of experienced workers due to impending retirements.

Your Committees further find that the University of Hawaii Myron B. Thompson School of Social Work and Department of Human Services have a history of collaboration and partnership in successfully recruiting and training social work students to work in the child welfare field in Hawaii. Between 1998 and 2008, the Hawaii Child Welfare Education Collaboration was successful and produced one hundred graduates, twenty-five of which are still employed at the Department in child welfare services positions.

Your Committees encourage the Legislature to consider funding the Hawaii Child Welfare Education Collaboration for a minimum of three years to ensure that child welfare workers are supported through the completion of their Master of Social Work program. Funding for three years will support the full-time students who complete the program in two years and the part-time students who require three years to complete the program.

Your Committees have amended this measure by:

- (1) Clarifying the Legislature's understanding and intent that the minimum employment requirement for participants of the program, if restored pursuant to this measure, will be three years, rather than two years, after graduation; and
- (2) 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 Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3034, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3034, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Human Services  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).  
Higher Education  
Ayes, 4. Noes, none. Excused, 3 (Ige, Tokuda, Slom).

**SCRep. 2167 (Joint) Human Services and Hawaiian Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2533**

The purpose and intent of this measure is to:

- (1) Appropriate funds to improve and increase existing public housing stock;



- (2) Finance affordable rental housing and infrastructure development by authorizing the issuance of general obligation bonds and appropriating funds for deposit into the rental housing trust fund and the dwelling unit revolving fund;
- (3) Appropriate funds for the construction of micro apartment housing units;
- (4) Appropriate funds to build housing for beneficiaries on homestead land; and
- (5) Appropriate funds to build affordable housing projects for veterans.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, The Chamber of Commerce of Hawaii, Partners in Care, Catholic Charities Hawaii, Hawaii Catholic Conference, Institute for Human Services, Building Industry Association of Hawaii, Hawaii Substance Abuse Coalition, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Primary Care Association, PHOCUSED, Community Alliance for Mental Health, and five individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that there is a severe shortage of affordable housing in Hawaii, and the shortage places an immense strain on lower-income households. According to the 2011 Hawaii Housing Planning Study, 50,000 new housing units need to be built by 2016 to meet the demand generated by changing demographics and economic conditions. In addition, many families are threatened with homelessness, as seventy-five percent of extremely low-income households spend more than half of their income on rent. Your Committees further find that, in addition to increasing the supply and quality of public and affordable housing stock, this measure would create jobs, reduce homelessness, and allow low-income families to spend more of their income on essentials such as food and medical care.

As affirmed by the records of votes of the members of your Committees on Human Services, Hawaiian Affairs, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2533 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.

Human Services

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

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 2168 (Majority) Water and Land on S.B. No. 2770**

The purpose and intent of this measure is to ensure continued community participation in the preservation and protection of Kawainui after the completion of the master plan update process, by establishing the Kawainui Advisory Council and making an appropriation to support the work of the council.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Pacific American Foundation, and one individual. Your Committee received testimony in opposition to this measure from the Kailua Neighborhood Board, Hawaii's Thousand Friends, Hawaii Audubon Society, and Windward Ahupua'a Alliance.

Kawainui encompasses approximately eight hundred thirty acres of land in Kailua, Oahu, and is the State's largest remaining wetland and an ecological and cultural treasure of statewide interest. It has been identified by the United States Fish and Wildlife Service as a primary habitat for endemic and endangered Native Hawaiian birds such as the 'alae ke'oke'o, 'alae 'ula, ae'o, and koloa maoli. In 2005, the Ramsar Convention on Wetlands designated the Kawainui-Hamakua Complex as a wetland of international importance in part due to the wetlands' relationship to surrounding cultural sites. In 2011, the Department of Land and Natural Resources began to hold public meetings to discuss a draft of the revised master plan for Kawainui.

Your Committee finds that this measure ensures continued community participation in the preservation and protection of Kawainui after the completion of the master plan update process by establishing the Kawainui Advisory Council to facilitate implementation of the master plan, enhance community education and cultural awareness of Kawainui, and protect and preserve Kawainui's resources.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2770 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; Ayes with Reservations (Ihara, Thielen). Noes, 1 (Ruderman). Excused, 2 (Shimabukuro, Taniguchi).

**SCRep. 2169 Water and Land on S.B. No. 3077**

The purpose and intent of this measure is to make an appropriation for the capital improvement project at Maalaea Small Boat Harbor for the replacement of wooden finger piers along the south mole at the harbor, including the demolition of the existing piers and steel piles, installation of new aluminum framed piers, and new composite plastic fingering.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Mayor of Maui County, Maui Dive Shop, Ocean Tourism Coalition, and six individuals.

Your Committee finds that initial construction for the Maalaea Small Boat Harbor was in 1952, and the harbor was built for recreational and commercial fishing vessels. In fiscal year 2013, the harbor had over \$960,000 in revenues, with 75 percent of revenues from commercial operators, and it is the highest grossing harbor in Maui County and the third highest statewide.

Your Committee further finds that the heavily-used Maalaea Small Boat Harbor on Maui serves as a vital connection to recreational and commercial ocean activities. It is therefore important to keep this small boat harbor in good working condition. Unfortunately, the finger piers located along the south mole at Maalaea Small Boat Harbor are badly deteriorated and beyond repair. Replacement of the wooden finger piers is necessary to ensure the continued support of the commercial operators who use and depend on access to the Maalaea Small Boat Harbor.

The Department of Land and Natural Resources estimates that \$4,000,000 is needed to replace seventeen wooden finger piers and associated concrete piles along the south mole of the harbor, where most of the large capacity commercial tour operators are located.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3077 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, 2 (Shimabukuro, Taniguchi).

**SCRep. 2170 Water and Land on S.B. No. 3090**

The purpose and intent of this measure is to make an appropriation to implement a statewide hunter education program and to develop shooting ranges.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Rifle Association, Hawaii Sportsmen Alliance, Babooze Bowstrings, Hawaii Hunting Association, and ten individuals.

The hunter education program provides a standardized hunter education curriculum throughout the State of Hawaii. At present, funding for the program comes exclusively from federal special funds through the Pittman-Robertson Wildlife Conservation Act, and these funds are used for program costs including lease rent, common area maintenance for program offices, utility costs, training materials and manuals, and ground and air transportation. Special funds are also used for shooting range development projects already in progress throughout the State.

Your Committee finds that this measure is intended to implement a statewide hunter education program and shooting range development, including lease rent and common area maintenance for program offices; utility costs; training materials and manuals; ground and air transportation costs; and other related program expenses.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3090 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; Ayes with Reservations (Ruderman). Noes, none. Excused, 2 (Shimabukuro, Taniguchi).

**SCRep. 2171 Water and Land on S.B. No. 2295**

The purpose and intent of this measure is to make an appropriation to the Hawaii Association of Conservation Districts to assist with its staffing and operating costs to provide time for the districts to develop sustainable funding mechanisms.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, Department of Health, Hawaii Farm Bureau Federation, Hawaii Association of Conservation Districts, Hawai'i Farm Bureau, Monsanto Co., Central Maui Soil and Water Conservation District, Kau Soil and Water Conservation District, Hawaii Cattlemens Council, Maui Cattle Company, DuPont Pioneer, Hawaii Aquaculture & Aquaponics Association, Maui County Farm Bureau, Hamakua County Farm Bureau, Hawaii Crop Improvement Association, Hawaii Agriculture Research Center, Hawaii Agricultural Partnerships, and ten individuals.

The Hawaii Association of Conservation Districts, through coordination, facilitation, and partnerships, assists government agencies in identifying and implementing culturally-sensitive projects and practices to ensure the protection of Hawaii's environment. The Hawaii Association of Conservation Districts is composed of sixteen districts representing every community on all major islands of Hawaii. Chapter 180, Hawaii Revised Statutes, authorizes the soil and water conservation districts to operate as government subdivisions to educate the public and construct and maintain conservation projects and programs in Hawaii. Each of the sixteen districts is governed by five volunteer directors and is supported by staff. The Department of Land and Natural Resources provides administration and maintains oversight authority of the soil and water conservation districts.

Your Committee finds that agriculture in Hawaii is rapidly evolving. Many new farmers are immigrants who commonly are unfamiliar with United States laws. Educational assistance, including education about conservation measures, will be important to ensure that these new farmers and ranchers adopt good environmental stewardship as a core value while seeking economic viability.

Your Committee has amended this measure by inserting an appropriation amount of \$210,000.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2295, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2295, 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, 2 (Shimabukuro, Taniguchi).

**SCRep. 2172 Water and Land on S.B. No. 2677**

The purpose and intent of this measure is to appropriate funds for a grant to Hawaii County as the State's share of joint funding with Hawaii County for improvements to the Waimea District/Regional Park on the island of Hawaii.

Your Committee received testimony in support of this measure from the Mayor of Maui County, Waimea District Park Builders, and fifty-four individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that Waimea is a growing sports community. As of last March, there was a twenty-three percent increase in participation in the County of Hawaii's parks and recreation sports community, which is already active in soccer, football, baseball, little league, softball, rugby, basketball, volleyball, frisbee, and T-ball. Despite Waimea's vibrant sports community, the district currently has only one small five-acre park in the middle of town. It has one softball field and two small practice fields. Women's softball, men's softball, senior softball, little league from T-ball to seniors, football, soccer, and rugby all share the same field.

The Waimea community has long been lacking in active playing fields for various sports, and for more than twenty years, the community has been promised a park to help all the sports organizations and non-profits to congregate. Without sufficient facilities, the park lacks space to support the increase of youth and adult sports programs, and lacks a county gym to support these many youth and adult team sports. Waimea residents have sought new and better park facilities to keep their children and youth active and engaged in healthy, positive activities and to provide recreational opportunities for seniors and families.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2677, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2677, 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, 2 (Shimabukuro, Taniguchi).

**SCRep. 2173 Water and Land on S.B. No. 2678**

The purpose and intent of this measure is to appropriate funds for the aha moku advisory committee and community education on the administrative structure of the aha moku system and on natural and cultural resource management.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Aha Moku Advisory Committee, Hawaiian Affairs Caucus of the Democratic Party of Hawaii, and one individual.

The Aha Moku Advisory Committee was created pursuant to Act 288, Session Laws of Hawaii 2012, codified as section 171-4.5, Hawaii Revised Statutes. Act 288 states, in part:

“The legislature finds that, over the past two hundred years, Hawaii has experienced extensive changes. These changes include the deterioration of the Hawaiian culture, language, values, and land tenure system, which have in part resulted in the over-development of the coastline, alteration of fresh water streams, destruction of life-giving watersheds, decimation of the coral reefs, and the decline of endemic marine and terrestrial species.

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In conclusion, it was agreed that statutes, ordinances, and a framework for community consultation using the Hawaiian perspective and traditional methods such as the ahupuaa management system are needed, and the aha moku system should be established.”

Your Committee has amended this measure on the recommendation of the Department of Land and Natural Resources by:

- (1) Consolidating the two appropriations into one appropriation for the aha moku advisory committee and inserting an appropriation amount of \$110,000, allocating \$75,000 for administration and \$35,000 for community education; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2678, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2678, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 2 (Shimabukuro, Taniguchi).

**SCRep. 2174 Water and Land on S.B. No. 3026**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriates funds for design, plans, and construction of the Waimea-Paauilo watershed project.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, Hawaii Sportsmen Alliance, Hawaii Cattlemen's Council, Maui Cattle Company, Mauna Kea Soil and Water Conservation District, Hawaii Agriculture Research Center, Hawaii Agricultural Partnerships, Ulupono Initiative, and seven individuals.

The Waimea-Paauilo watershed is approximately 143,000 acres and is located in the northeast part of the island of Hawaii. Your Committee finds that the major problem with the Waimea-Paauilo watershed is inadequate water supply due to insufficient agricultural water storage reservoirs and a water collection system with high seepage losses. The distribution systems are inadequate for the agricultural enterprises in the watershed area. The Waimea-Paauilo watershed project would improve agricultural water management through more efficient irrigation and livestock water distribution systems and protect the soil resources base by facilitating improved pasture management. The production of crops would be improved since the project would help alleviate the drought conditions on the island of Hawaii.

Your Committee has amended this measure by:

- (1) Changing the expending agency from the Department of Land and Natural Resources to the Department of Agriculture, as the Waimea irrigation system is owned, operated, and maintained by the Department of Agriculture; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3026, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 2 (Shimabukuro, Taniguchi).

**SCRep. 2175 Water and Land on S.B. No. 3063**

The purpose and intent of this measure is to make an appropriation for the purchase of land in Waipio Valley from the Bernice Pauahi Bishop Museum.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and the Bernice Pauahi Bishop Museum. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that Waipio Valley in the district of Hamakua, island of Hawaii, possesses cultural, historic, and natural resources that are of high value to the State. These resources are central to the historic, cultural, and natural identity of the State of Hawaii, and protection and management of these resources will benefit the people of Hawaii.

Your Committee further finds that the acquisition of privately owned lands or interests in lands in Waipio Valley would enhance public access to and permanent protection of these resources. Your Committee also finds that active management of the resources in Waipio Valley is necessary to protect them against overuse, invasive species, and other threats to their continued existence.

Your Committee has amended this measure on the recommendation of the Department of Land and Natural Resources by:

- (1) Adding language to:
  - (A) Require the Department to establish a working group with designated members to develop an action plan that explores and identifies important natural, cultural, and historic resources for protection at Waipio Valley and identifies conservation options for the protection of these resources; and
  - (B) Require the working group to submit a final action plan to the Legislature prior to the 2015 Regular Session; and
- (2) 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3063, 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, 2 (Shimabukuro, Taniguchi).

**SCRep. 2176 Commerce and Consumer Protection on S.B. No. 2820**

The purpose and intent of this measure is to streamline and improve the operations of the Insurance Division of the Department of Commerce and Consumer Affairs and ensure that the Insurance Division retains its accreditation with the National Association of Insurance Commissioners and complies with the federal Patient Protection and Affordable Care Act of 2010.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual. Your Committee received testimony in opposition to this measure from the American Council of Life Insurers. Your Committee received comments on this measure from the Hawaii Medical Service Association.

Your Committee finds that this measure will streamline operations within the Insurance Division of the Department of Commerce and Consumer Affairs, improve administrative efficiency, ensure the Insurance Division retains National Association of Insurance Commissioners accreditation, and reduce confusion and inefficiency in the implementation of Hawaii's insurance laws.

Your Committee further finds that this measure prohibits rescission of coverage under a health benefit plan except in cases of fraud or intentional misrepresentation of material fact and requires written notice prior to rescission, in conformity with the Affordable Care Act. Your Committee notes that federal regulations further clarify that if a health benefit plan is terminated due to nonpayment of premiums, a qualified health plan must establish a standard policy for the termination of coverage. Accordingly, amendments to this measure are necessary to incorporate these requirements.

Although your Committee has heard the concerns that this measure subjects long-term care insurance to all of article 10A of the State's Insurance Code, your Committee notes that this measure narrowly applies sixteen out of seventy sections of article 10A to long-term care insurance. The application of these specific sections of article 10A to long-term care insurance is the most effective route to ensuring consumer protections and includes common sense regulations, most of which are already generally followed by long-term care insurers. Furthermore, article 10H of the State's Insurance Code and the National Association of Insurance Commissioners Long-Term Care Insurance Model Act, on which article 10H is based, make it clear in their scope that entities subject to article 10H or the Model Act must comply with other applicable insurance laws that are not in conflict with the provisions in article 10H.

Your Committee additionally finds that this measure repeals most of chapter 431M, Hawaii Revised Statutes, relating to mental health and alcohol and drug abuse treatment insurance benefits. Your Committee has heard testimony that this repeal is due to the

federal mental health parity provisions of the Affordable Care Act. However, this is a substantial change to the State's Insurance Code that raises questions about parity between mental health and substance abuse benefits and medical benefits. Your Committee believes that more time is needed to reconcile what the Affordable Care Act says about mental health parity and its effects on Hawaii's mental health and substance abuse treatment benefits. Therefore, your Committee concludes that language in this measure repealing sections of chapter 431M, Hawaii Revised Statutes, should be removed.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that nonpayment of premiums or contributions may trigger rescission of coverage; provided that a qualified health plan must develop a standard policy and meet other requirements for the termination of coverage due to nonpayment;
- (2) Clarifying that accident and health or sickness insurance, when issued as an incidental coverage with or supplemental to liability insurance, is included in the definition of general casualty insurance;
- (3) Removing language that would have repealed most of chapter 431M, Hawaii Revised Statutes, relating to mental health and alcohol and drug abuse treatment insurance benefits; and
- (4) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2820, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2820, 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. 2177 Commerce and Consumer Protection on S.B. No. 2958**

The purpose and intent of this measure is to shift the burden of proof from the claimant to the alleged violator in instances where the alleged violator registers a domain name that consists solely of the claimant's legal name or a name that is otherwise commonly used to identify the claimant if the claimant demonstrates with reasonable certainty the potential of immediate and irreparable harm through misuse of the domain name.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee has heard testimony that the shift in the burden of proof proposed by this measure raises serious due process concerns and potential federal preemption issues under the federal Anticybersquatting Consumer Protection Act. Your Committee understands and appreciates these concerns and concludes that language shifting the burden of proof from the claimant to the alleged violator should be removed from this measure.

Your Committee has also heard testimony that provisions under chapter 481B, part II, Hawaii Revised Statutes, relating to civil liability for bad faith registration of a domain name, determining bad faith intent, and the good faith exception only apply to living persons, rather than applying to the broader definition of "persons" under chapter 481B, part II, Hawaii Revised Statutes, which includes individuals and business entities. Your Committee further finds that businesses that are victims of online bad faith registration of a domain name have no recourse under this existing chapter. Therefore, amendments are necessary to change references from "living person" to "person", thereby ensuring that individuals and business entities are protected from bad faith actors.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that a person who in bad faith registers a domain name of another person, rather than another living person, shall be liable in a civil action;
- (2) Specifying that in a civil action for bad faith registration of a domain name, a court may consider an alleged violator's registration of multiple domain names the alleged violator knew were identical or confusingly similar to the name of another person, rather than another living person;
- (3) Removing language that would have shifted the burden of proof from the claimant to the alleged violator in instances where the alleged violator registers a domain name that consists solely of the claimant's legal name or a name that is otherwise commonly used to identify the claimant and removing language that would have required the claimant to demonstrate with reasonable certainty the potential of immediate and irreparable harm through misuse of the domain name;
- (4) Clarifying that the good faith exception to registration of a domain name shall apply to persons who in good faith register a domain name consisting of the name of another person, rather than another living person;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2958, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 2178 (Joint) Commerce and Consumer Protection and Public Safety, Intergovernmental and Military Affairs on S.B. No. 3042**

The purpose and intent of this measure is to:

- (1) Remove the requirement that a class 14 brewpub licensee manufacture not more than thirty thousand barrels of malt beverages on the licensee's premises during the license year; and
- (2) Establish a new class 18 liquor license class for small craft producer pubs.

Your Committees received testimony in support of this measure from Maui Brewing Co. Your Committees received comments on this measure from the City and County of Honolulu Liquor Commission, Southern Wine & Spirits of Hawaii, and Hawaii Liquor Wholesalers Association.

Your Committees find that this measure eliminates the thirty thousand barrel production cap for a class 14 brewpub licensee. Your Committees note that the Brewers Association defines a small brewer as one with an annual production of six million barrels or less; therefore the existing thirty thousand barrel limit was unnecessarily restrictive.

Your Committees further find that class 14 brewpub licensees under existing law and class 18 small craft producer pub licensees proposed by this measure are able to purchase liquor directly from other manufacturers. Your Committees have heard the concerns that this creates an unfair competitive advantage over certain other liquor license classes who must purchase liquor only from licensed wholesalers. Amendments to this measure addressing this issue are therefore necessary.

Your Committees additionally find that the class 18 license class proposed by this measure has a production limit of twenty thousand barrels of wine. Your Committees note that this limit is double the production limit for a class 16 winery license. Amendments to this measure are therefore necessary to eliminate this inconsistency.

Accordingly, your Committees have amended this measure by:

- (1) Specifying that a class 14 brewpub licensee and a class 18 small craft producer pub licensee may sell intoxicating liquor purchased from a wholesale dealer licensee, rather than from manufacturer and wholesale dealer licensees;
- (2) Clarifying that a class 18 small craft producer pub licensee shall manufacture no more than ten thousand barrels of wine in a license year; and
- (3) Making a technical, nonsubstantive amendment to correct a formatting error.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3042, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3042, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection  
Ayes, 5. Noes, none. Excused, none.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2179 Energy and Environment on S.B. No. 2178**

The purpose and intent of this measure is to:

- (1) Prohibit any binding agreement from preventing the installation of clotheslines in any residential dwelling, apartment, condominium, or townhouse, regardless of whether the installer owns the dwelling; and
- (2) Define a reasonable restriction on the placement and use of clotheslines as any restriction that is necessary to protect public health and safety, buildings from damage, historic or aesthetic values, and shorelines under certain circumstances.

Your Committee received testimony in support of this measure from Blue Planet Foundation, Sierra Club of Hawaii, and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Public Housing Authority, Community Association Institute, Hawai'i Association of REALTORS, and two individuals.

Your Committee finds that because of Hawaii's climate, Hawaii homeowners often have the choice to save money and save energy by using a clothesline to dry their clothes. Electric clothes dryers can cost a consumer upwards of ten percent of their household's energy demand. Reducing the use of clothes dryers could substantially decrease the amount of fossil fuel electricity that Hawaii's households require.

Your Committee further finds that many homeowner associations have restrictions on the use of clotheslines. These restrictions do not allow many homeowners the choice of saving money and energy to dry their clothes.

Your Committee has amended this measure by:

- (1) Clarifying that the installation of clotheslines is permitted only for owners of a residential dwelling, apartment, condominium, or townhouse;
- (2) Inserting language to clarify that a private entity may adopt rules related to the use of clotheslines on the premises of apartments and condominiums, in addition to residential dwellings and townhouses; and

- (3) Inserting language to allow a private entity to restrict the placement and use of clotheslines on a balcony or lanai to no higher than the exterior wall or railing of the balcony or lanai for multi-story apartments or condominiums.

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. 2178, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2178, 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, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 2180 Energy and Environment on S.B. No. 2652**

The purpose and intent of this measure is to:

- (1) Establish association rules for the placement of solar energy devices in the absence of such rules adopted by a private entity, including homeowners associations, community associations, condominium associations, and cooperatives; and
- (2) Make permanent the prohibition on requiring an encumbrance on title for the replacement of any solar energy device.

Your Committee received testimony in support of this measure from the Hawaii PV Coalition, Hawaii Solar Energy Association, and Blue Planet Foundation. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that condominium associations, community associations, and homeowner associations have been required since December 31, 2006, to adopt rules that provide for the placement of solar energy devices under section 196-7, Hawaii Revised Statutes. However, many homeowner associations have yet to draft rules, creating confusion and preventing their members from installing solar energy devices.

Your Committee has amended this measure by:

- (1) Amending language to specify that the default rules apply to the placement of solar energy devices not on common elements or limited common elements of private entities;
- (2) Inserting language to require the homeowner to obtain prior approval from the private entity; provided that the private entity cannot deny approval on the basis of not having adopted rules relating to the placement of solar energy devices;
- (3) Deleting language that would have required the solar energy device to be installed in accordance with relevant laws and rules, as the language was unnecessary;
- (4) Deleting language that would have required all exterior interconnecting components to be minimized;
- (5) Deleting language that would have required an agreement between an owner and each successor owner with rules related to equipment necessary to complete the installation of the solar energy device that is placed on a common element or limited common element; and
- (6) Inserting language to clarify that the default rules shall be superseded when a private entity adopts its own rules.

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. 2652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2652, 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, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 2181 Energy and Environment on S.B. No. 2657**

The purpose and intent of this measure is to transfer the responsibility for the warranty of the area of a roof on which a solar energy device has been installed from the roofing contractor to the solar contractor that installs the solar energy device.

Your Committee received testimony in support of this measure from Hawaii Solar Energy Association, Hawaii PV Coalition, Sierra Club of Hawaii, and R & R Solar Supply. Your Committee received testimony in opposition to this measure from Roofing Contractors Association of Hawaii.

Your Committee finds that currently, a homeowner who wants to install a solar system on the homeowner's roof must obtain confirmation in writing from the company that issued the warranty for the roof that the installation of the solar energy device will not void the roof warranty. This requirement serves as a difficult obstacle, especially for homeowners whose properties fall under the control of a homeowner's association, since most roofing contractors are not willing to warranty the work of another contractor. This also creates a frustrating position for the homeowner, who is unable to obtain confirmation from the roofing contractor and, thus, cannot install a solar energy device.

Your Committee has amended this measure by deleting the amendments made to section 196-7, Hawaii Revised Statutes, and inserting language in the same section to specify that:

- (1) A contractor that installs a solar energy device on a roof that is under an existing roof warranty or guarantee shall notify the private entity that installation might void the roofing guarantees or warranties;
- (2) The private entity can either:

- (A) Forgo the roofing warranty or guarantee in writing, which the contractor installing a solar energy device shall obtain; or
- (B) Not forgo the roofing warranty or guarantee, which then requires the contractor installing the solar energy device to obtain written approval from the roofing manufacturer and follow written instructions for waterproofing roof penetrations from the roofing manufacturer or coordinate waterproofing with the contractor that issued the guarantee or warranty;
- (3) If waterproofing for roof penetrations related to the installation of a solar energy device is done by the roofing manufacturer that issued the existing roof guarantee or warranty, the roof warranty or guarantee shall remain valid;
- (4) If the contractor installing the solar energy device waterproofs the roof penetrations, the contractor's standard labor and workmanship warranty shall apply to the penetrations; and
- (5) The homeowner shall provide the private entity with a copy of the applicable guarantee or warranty related to the installation of a solar energy device.

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. 2657, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2657, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 2182 Commerce and Consumer Protection on S.B. No. 2502**

The purpose and intent of this measure is to:

- (1) Establish registration requirements for veterinary technicians; and
- (2) Require the Board of Veterinary Examiners to adopt rules for the regulation of veterinary technicians.

Your Committee received testimony in support of this measure from the Hawaii Veterinary Medical Association, Pacific Pet Alliance, and one individual. Your Committee received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Board of Veterinary Examiners, The Humane Society of the United States – Hawaii, and Animal Haven.

Your Committee finds that this measure creates a new chapter for the registration of veterinary technicians. Your Committee has heard the concerns that this measure does not adequately set forth the qualifications or the scope of practice of a veterinary technician, does not contain specific provisions on the issue of supervision by a licensed veterinarian, and does not enumerate the types of conduct that would give rise to disciplinary action. Your Committee appreciates these concerns and concludes that amendments to this measure are necessary to clarify the registration, education, and other requirements for the regulation of veterinary technicians.

Your Committee further finds that the Board of Veterinary Examiners issues licenses to veterinarians under chapter 471, Hawaii Revised Statutes, while this measure would instead require the Board to issue registrations to veterinary technicians under a new chapter of the Hawaii Revised Statutes. Your Committee concludes that it is more appropriate for the regulation of veterinarians and veterinary technicians to be within the same chapter; therefore amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by deleting its contents and inserting similar language regulating veterinary technicians. Specifically, this measure was amended by:

- (1) Deleting language that would have established a new chapter in the Hawaii Revised Statutes relating to veterinary technicians;
- (2) Establishing registration requirements for veterinary technicians within chapter 471, Hawaii Revised Statutes, and further amending chapter 471, Hawaii Revised Statutes, by:
  - (A) Requiring the Board of Veterinary Examiners, beginning July 1, 2018, to issue certificates of registration to engage in the practice of veterinary technology as veterinary technicians to applicants who meet specified requirements;
  - (B) Adding new definitions related to veterinary technicians and the practice of veterinary technology;
  - (C) Prohibiting persons from practicing veterinary technology or using certain titles without having a valid unrevoked registration from the Board of Veterinary Examiners;
  - (D) Specifying exceptions to the registration requirements;
  - (E) Specifying education and application requirements for veterinary technicians;
  - (F) Specifying the grounds for refusal to grant and revocation or suspension of registration; and
  - (G) Clarifying that the existing hearing and penalty provisions of chapter 471, Hawaii Revised Statutes, also apply to veterinary technicians;
- (3) Updating the purpose section for clarity;
- (4) Changing the effective date to July 1, 2014; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that section 26H-6, Hawaii Revised Statutes, requires previously unregulated professions and vocations to be referred to the State Auditor for a sunrise analysis and that veterinary technician is one such unregulated profession. Although your



Committee understands that a concurrent resolution requesting a sunrise analysis needs to be adopted and referred to the Auditor before this amended measure can be adopted by the Legislature, it is your Committee's intent that this amended measure provide a solid basis to be used for the State Auditor's sunrise analysis.

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. 2502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2502, 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. 2183 Hawaiian Affairs on S.B. No. 2986**

The purpose and intent of this measure is to amend the law relating to the Hawaiian language.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language to:

- (1) Establish the Hawaiian Language University at the University of Hawaii at Hilo; and
- (2) Transfer the rights, powers, duties, and functions of the Hawaiian Language College at the University of Hawaii at Hilo to the Hawaiian Language University.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2986, as amended herein, and recommends that it be recommitted to the Committee on Hawaiian Affairs, in the form attached hereto as S.B. No. 2986, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2184 Agriculture on S.B. No. 111**

The purpose and intent of this measure is to amend the law relating to agriculture.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language requiring the Board of Agriculture to create labeling requirements for all agricultural commodities in Hawaii, beginning on July 1, 2015.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 111, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, in the form attached hereto as S.B. No. 111, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Slom).

**SCRep. 2185 Agriculture on S.B. No. 112**

The purpose and intent of this measure is to amend the law relating to agriculture.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language to:

- (1) Establish within the state treasury a special fund to be known as the Whitmore project facility revenue bond special fund into which the proceeds of revenue bonds shall be deposited for the Agribusiness Development Corporation to purchase certain parcels of land from Dole Food Company, Inc.; and
- (2) Appropriate funds out of the Whitmore project facility revenue bond special fund to acquire certain lands from Dole Food Company, Inc.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 112, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, in the form attached hereto as S.B. No. 112, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Slom).

**SCRep. 2186 Judiciary and Labor on S.B. No. 2126**

The purpose and intent of this measure is to allow newly-elected members of Hawaii's congressional delegation to accumulate seniority in Congress more quickly than other newly-elected congressional members representing other states by requiring the Governor to immediately appoint the congressional member-elect, other than the incumbent member, when the incumbent member vacates the office after the general election, but prior to the expiration of the incumbent member's term.

Your Committee received testimony in support of this measure from one individual. Comments on this measure was submitted by the Department of the Attorney General, Office of Elections, League of Women Voters of Hawaii, and one individual.

Your Committee finds that the United States Congress operates under a seniority system that grants a variety of privileges to its members who have served the longest. These privileges include congressional committee assignments and the awarding of committee chair positions. This measure allows Hawaii's congressional members to gain a slight seniority advantage in Congress by requiring the Governor to appoint the congressional member-elect, other than the incumbent member, to fill the congressional seat if the incumbent member vacates office after a general election, but before the expiration of the incumbent member's term.

Your Committee recognizes the concerns raised in written testimony. The Department of the Attorney General testified that the procedure that requires the Governor to fill a vacancy caused by an incumbent member of the United States House of Representatives vacating office is inconsistent with Article I, Section 2, Clause 4 of the United States Constitution. The United States Constitution requires such vacancies to be filled by election. The Department noted that existing law is consistent with the United States Constitution because the law requires that a special election be held to fill a vacancy in the United States House of Representatives and recommended that section 3 of this measure be deleted.

Furthermore, regarding section 2 of this measure, which proposes a procedure for the Governor to fill a vacancy caused by an incumbent member of the United States Senate leaving office, the Department of the Attorney General testified that existing law is silent and does not address a situation where a vacancy occurs after a general election when a candidate other than the incumbent has already been elected to assume office at the expiration of the incumbent's term. Although the Department testified that providing a procedure for the Governor to appoint the member-elect to the vacant Senate seat appeared to be consistent with the United States Constitution, it suggested the language be amended to clarify that the appointment be for the remainder of the incumbent member's unexpired term.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Department of the Attorney General to:
  - (A) Delete section 3 of this measure, which would have required the Governor to fill a United States House of Representative vacancy caused by the incumbent member vacating office, because this language appears to be inconsistent with the United States Constitution; and
  - (B) Add language to the procedure for the Governor to appoint the member-elect to a vacant United States Senate seat caused by the incumbent member vacating office to clarify that the appointment be for the remainder of the incumbent member's unexpired term; and
- (2) Making technical, nonsubstantive amendments to the purpose section of this measure for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2126, 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 (Gabbard, Ihara).

**SCRep. 2187 Ways and Means on S.B. No. 2808**

The purpose and intent of this measure is to reduce the maximum fee that a non-attorney may receive when entering into an agreement to locate unclaimed property from 25 per cent to 10 per cent of the total value of the property.

The Department of Budget and Finance provided testimony in support of the measure.

Your Committee finds that lowering the maximum fee for non-attorneys, who do not provide legal services, from 25 per cent to 10 per cent of the total value of the property is reasonable and protects the interests of the owners or claimants.

Your Committee has amended this measure by:

- (1) Requiring that any person who enters into an agreement with an owner or claimant to locate, deliver, recover, or assist in the recovery of property notify the owner or claimant in writing, prior to entering into an agreement, that the State does not impose a fee to file for unclaimed property; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2808, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2808, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2188 Ways and Means on S.B. No. 2895**

The purpose and intent of this measure is to authorize the Department of Taxation to use funds from the tax administrative special fund for taxpayer education programs.

The Department of Taxation provided testimony in support of this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee finds that taxpayer education is an essential element of the effort to increase voluntary taxpayer compliance with the State's tax laws. Greater and more accurate voluntary compliance will significantly assist the Department of Taxation in its mission to enforce the State's tax laws.

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. 2895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2895, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kouchi, Tokuda).

**SCRep. 2189 Ways and Means on S.B. No. 2893**

The purpose and intent of this measure is to create trust fund liability for taxes that are passed on as taxes owed by the taxpayer for a transaction.

The Department of Taxation provided testimony in support of this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee finds that businesses are administratively allowed to pass on certain taxes to consumers. However, businesses do not always remit the entirety of those amounts to the State, either in an attempt to avoid paying taxes or because they dispute their liability for the taxes owed. This measure will therefore expedite the resolution of tax disputes in cases where the taxes are passed on to the consumer.

Your Committee has amended this measure by:

- (1) Clarifying that the taxpayer's trust fund liability is reduced by amounts collected but returned to their sources; 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. 2893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2893, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Thielen, Slom). Noes, none. Excused, 2 (Kouchi, Tokuda).

**SCRep. 2190 Ways and Means on S.B. No. 2887**

The purpose and intent of this measure is to conform the State's estate and generation-skipping transfer tax law to the Internal Revenue Code of 1986, as amended as of December 31, 2013, and to close a loophole that allows a decedent to avoid estate and generation-skipping transfer taxes.

The Department of Taxation provided testimony in support of this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee finds that conforming chapter 236E, Hawaii Revised Statutes, to the Internal Revenue Code of 1986, as amended as of December 31, 2013, regarding estate taxes, will facilitate taxpayer compliance with the state and federal tax codes. Your Committee further finds that amending the definition of "applicable exclusion amount" will close a loophole that currently allows a decedent to avoid estate and generation-skipping transfer taxes by gifting away property as late as on the eve of death.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of style, 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. 2887, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2887, 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 (Slom). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2191 Ways and Means on H.B. No. 2353**

The purpose and intent of this measure is to make an emergency appropriation to the Department of Transportation Airports Division to fund unanticipated costs incurred during fiscal year 2013-2014 for the operations and maintenance of the outbound baggage handling and explosive detection systems at the Honolulu International Airport.

The Department of Transportation and the Airlines Committee of Hawaii submitted testimony in support of this measure. One individual submitted testimony in opposition of this measure.

Your Committee finds that the Department of Transportation recently expended security funds for costs associated with the outbound baggage handling and explosive detection system. This expenditure created a budget shortfall for the Department of Transportation, which now requires an emergency appropriation of \$5,000,000 to maintain a TSA-approved security posture at Honolulu International Airport through the remainder of the fiscal year as required by federal regulation.

Your Committee has amended this measure by:

- (1) Requiring the Department of Transportation to submit a report to the Legislature that includes:

- (A) Detailed security expenditures at state airports during fiscal year 2013-2014;
  - (B) Detailed expenditures of the funds that were used by the Department of Transportation during fiscal year 2013-2014, including baggage handling and security contract information, which created the need for the emergency appropriation in this measure; and
  - (C) An explanation of the purposes of each expenditure; and
- (2) Making technical nonsubstantive amendments for purposes of style, 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. 2353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2353, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Ruderman).

**SCRep. 2192 Ways and Means on S.B. No. 2545**

The purpose and intent of this measure is to establish a universal children's savings account program administered by the Department of Budget and Finance to enable families to establish savings accounts for their children.

This measure also establishes and appropriates funds for the universal children's savings account trust fund.

Your Committee received written comments in support of the measure from Hawaiian Community Assets, Inc., and the Hawaii Credit Union League. The Department of Budget and Finance and the Department of the Attorney General submitted written comments.

Your Committee finds that this measure makes an appropriation for the universal children's savings account trust fund from funds received by the State pursuant to the joint state-federal mortgage servicing settlement. This measure also requires the State to provide a dollar-for-dollar match for settlement funds deposited into the trust fund. However, the Attorney General has indicated that permissible uses of the settlement funds are restricted by federal court consent judgments to services for those who are, have been, or may be affected by mortgage loan proceedings, including housing and financial counseling, public education, mediation, dispute resolution, and enforcement of laws and agreements protecting the rights of homeowners and lessees. Hence, according to the Attorney General, the settlement funds cannot be used for the purposes of this measure as received by your Committee without violating the federal court consent judgments.

Accordingly, your Committee has amended this measure by:

- (1) Deleting all references in this measure to the funds received by the State pursuant to the joint state-federal mortgage servicing settlement, and changing the appropriation for the universal children's savings account trust fund to general funds; and
- (2) 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. 2545, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2545, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2193 Tourism on S.B. No. 2431**

The purpose and intent of this measure is to amend exceptions to the Hawaii Tourism Authority, under certain conditions, from the supervision of accounts by the Comptroller, requirements for publication of consolidated financial statements, and approval of business and accounting forms.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority.

Your Committee finds that Act 58, Session Laws of Hawaii 2004, was enacted to enhance the operational effectiveness and efficiency of the Hawaii Tourism Authority. This measure will improve the efficiency of the Hawaii Tourism Authority's operations and allow the Authority to execute its financial transactions in a timely manner.

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. 2431 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 (Keith-Agaran, Slom).

**SCRep. 2194 Tourism on S.B. No. 2968**

The purpose and intent of this measure is to provide a tax credit for hotel construction and renovation costs for taxable years beginning on January 1, 2015, and ending on December 31, 2020, against income taxes and transient accommodations taxes.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, Hilton Grand Vacations Club, Hawaii Lodging and Tourism Association, American Resort Development Association, Wyndham Vacation Ownership, Maui Hotel and Lodging Association, and one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that tourism is Hawaii's principal industry, with visitor expenditures estimated to be over \$15,000,000,000 in 2013. Your Committee further finds that investment incentives will revitalize the Hawaii tourism product, which includes physical infrastructure and hotel facilities. This measure will improve Hawaii's economy by encouraging hotel construction and renovation, which will create jobs and increase visitor spending in the long run.

Your Committee has amended this measure by:

- (1) Removing the application of the tax credit against the transient accommodations tax under chapter 237D, Hawaii Revised Statutes;
- (2) Authorizing the income tax credit for taxable years beginning on or after January 1, 2015, and ending on or before December 31, 2019;
- (3) Removing the requirement that the construction or renovation costs be incurred after June 30, 2014, and before July 1, 2019; and
- (4) 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 Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2968, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2968, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Slom).

**SCRep. 2195 Tourism on S.B. No. 2426**

The purpose and intent of this measure is to require:

- (1) The Hawaii Tourism Authority's marketing plan to be a single, comprehensive document; and
- (2) The Hawaii Tourism Authority to submit a complete and detailed report of the results of the progress of its marketing plan toward achieving the Hawaii Tourism Authority's strategic plan goals as part of its annual report to the Governor and Legislature.

Your Committee received testimony in support of this measure from the State Auditor. Your Committee received comments on this measure from the Hawaii Tourism Authority.

Your Committee finds that according to the State Auditor's 2013 report entitled "Audit of Major Contracts and Agreements of the Hawaii Tourism Authority", the Hawaii Tourism Authority's marketing plan is dispersed, unwieldy, and falls short of statutory requirements. This measure responds to the State Auditor's findings by ensuring that the Hawaii Tourism Authority's marketing plan is a single, comprehensive document and clarifying the Hawaii Tourism Authority's reporting requirements.

Your Committee has amended this measure by:

- (1) Inserting language to clarify the Hawaii Tourism Authority's powers and responsibilities, including requiring the Hawaii Tourism Authority to have a permanent, strong focus on brand management;
- (2) Requiring the Hawaii Tourism Authority's tourism marketing plan to include certain guidance from the Authority to qualified organizations contracted to implement promotional and marketing programs that build and promote the Hawaii brand;
- (3) Adding a definition of "Hawaii brand";
- (4) Inserting language to permit the Authority to withhold from public disclosure competitively sensitive information under certain circumstances;
- (5) Requiring the Hawaii Tourism Authority to additionally include, as part of its annual report, descriptions and evaluations of programs funded and any recommendations of the Authority; and
- (6) Making housekeeping amendments throughout chapter 201B, Hawaii Revised Statutes and section 237D-6.5, Hawaii Revised Statutes; and
- (7) 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 Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2426, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Slom).

**SCRep. 2196 Human Services on S.B. No. 2835**

The purpose and intent of this measure is to bring tax relief to Hawaii's low-income senior residents by tripling the low-income household renters income tax credit for each taxpayer who is sixty-five years of age or older.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Human Services, Department of Taxation, Hawaii Primary Care Association, and one individual. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that a large portion of Hawaii's population, including many seniors, are dependent on fixed incomes to survive. The receipt of monetary benefits through tax relief efforts can assist residents in living a more healthy and independent lifestyle. Your Committee heard testimony expressing concern that this measure provides relief only to individuals age sixty-five and older despite the fact that many people of all ages struggle to make ends meet.

Your Committee has amended this measure by:

- (1) Removing the age limit on the tax credit so that the credit applies to all renters with an adjusted gross income of less than \$30,000 who have paid more than \$1,000 in rent during a taxable year;
- (2) Changing the tax credit to double instead of triple the tax credit;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2835, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2197 Human Services on S.B. No. 2434**

The purpose and intent of this measure is to authorize the Executive Office on Aging to establish an Alzheimer's disease and related dementia services program to support individuals with Alzheimer's disease and their families.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Hawaii Government Employees Association, Hawaii Primary Care Association, International Longshore and Warehouse Union Local 142 Hawaii, Community Alliance for Mental Health, and two individuals.

Your Committee finds that as Hawaii's aging population continues to increase at a rapid rate, so will the number of individuals with Alzheimer's disease and other related dementia. The greatest risk factor for Alzheimer's disease and dementia is age. It is projected that by 2025, the number of people in Hawaii age sixty-five and over who will be diagnosed with dementia will be 34,000, which is an increase of forty-eight percent from 2010. Your Committee received testimony on this measure indicating that nonprofit agencies in the State are already providing the services that would be performed by the Alzheimer's disease and related dementia services program proposed by this measure.

Accordingly, your Committee has amended this measure by:

- (1) Removing the language that would have authorized the Alzheimer's disease and related dementia services program;
- (2) Adding language to establish goals for the Alzheimer's Disease and Related Dementia Services Coordinator;
- (3) Inserting an appropriation of \$75,000 for one full-time equivalent (1.00 FTE) position within the Executive Office on Aging to assist the Alzheimer's Disease and Related Dementia Services Coordinator with information and referrals, counseling, education, support groups, and safety services;
- (4) Changing the effective date to July 1, 2014; and
- (5) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2434, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2198 Human Services on S.B. No. 2346**

The purpose and intent of this measure is to appropriate funds to provide ongoing financial support to healthy aging programs and services, including a public education and awareness campaign on long-term care to be conducted by the Executive Office on Aging.

Your Committee received testimony in support of this measure from the Executive Office on Aging; Department of Community Services, City and County of Honolulu; Policy Advisory Board for Elder Affairs; Hawaii Government Employees Association; AARP Hawaii; American Council of Life Insurers; Catholic Charities Hawaii; Hawaii Primary Care Association; Hawaii Alliance for Retired Americans; International Longshore and Warehouse Union Local 142 Hawaii; Project Dana; and twenty-nine individuals.

Your Committee finds that Hawaii's aging population is increasing at a rapid rate, and programs and services are needed to maintain the health and welfare of Hawaii's seniors and their caregivers. By 2035, Hawaii's population of residents age sixty and older is projected to be thirty percent of the total population. Your Committee further finds that the most successful programs for aging in place recognize and build upon integrated health and social services. Finally, your Committee recognizes the importance of educating Hawaii's residents with information about long-term care, including the different types of long-term care and long-term care providers, the statistical risk of requiring long-term care, and the associated costs, so that residents are motivated to provide for their own or family members' long-term care needs.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount for the aging and disability resource center from \$1,900,000 to \$427,937 to reflect the balance needed for continued operations and the management information systems for the statewide aging and disability resource center system; and
- (2) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2346, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 2199 (Joint) Hawaiian Affairs and Technology and the Arts on S.B. No. 469**

The purpose and intent of this measure is to:

- (1) Designate the month of February as “Ōlelo Hawai‘i Month” to celebrate and encourage the use of Hawaiian Language;
- (2) Require that all letterheads, documents, symbols, and emblems of the State and other political subdivisions include accurate and appropriate Hawaiian names and words, beginning January 1, 2014;
- (3) Establish references for accurate, appropriate, and authentic Hawaiian names and words;
- (4) Clarify that the full text of bills and other official documents are not required to be written in Hawaiian and that misspelled or incorrectly punctuated Hawaiian words and names shall not invalidate the documents or render them unenforceable; and
- (5) Clarify that no cause of action shall arise against the State, any county, or any state or county agency, official, or employee for any Hawaiian names and words that are misspelled or incorrectly punctuated.

Your Committees received testimony in support of this measure from the Department of the Attorney General. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committees find that the State officially recognized the Hawaiian language as one of its official languages in 1978, and the Legislature has since supported efforts to incorporate the Hawaiian language into official state writings, emblems, and signs. The use of proper Hawaiian macrons and glottal stops not only shows the deserved respect for the Hawaiian language, but also fully comports with the intent and purpose of the Hawaii State Constitution to promote the study of Hawaiian culture, history, and language.

Your Committees have amended this measure by inserting the contents of H.B. No. 109, H.D. 3, S.D. 1 (2013), as recommended by the Department of the Attorney General. Specifically, this measure is amended by:

- (1) Removing language designating the month of February as “Ōlelo Hawai‘i Month;”
- (2) Requiring that only letterheads, and not documents, that are prepared by or for state or county agencies or officials include proper Hawaiian spelling and punctuation;
- (3) Requiring that that all letterheads, symbols, and emblems of the State and other political subdivisions include accurate and appropriate Hawaiian names and language, beginning on January 1, 2015, rather than January 1, 2014;
- (4) Removing “Place Names of Hawaii”, by Mary Kawena Pukui, Samuel H. Elbert, and Esther T. Mookini, as a reference for accurate, appropriate, and authentic Hawaiian names and words;
- (5) Removing language clarifying that incorrectly punctuated Hawaiian words or names within a document or letterhead shall not invalidate the document or render it unenforceable;
- (6) Removing language clarifying that no cause of action shall arise against the State, any county, or any state or county agency, official, or employee for any Hawaiian names and words that are misspelled or incorrectly punctuated;
- (7) Removing language clarifying that the full text of bills and other official documents are not required to be written in Hawaiian;
- (8) Removing those sections of the measure that are written in the Hawaiian language only;
- (9) Changing the effective date to July 1, 2014; and
- (10) 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 Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 469, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 469, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 2200 Hawaiian Affairs on S.B. No. 320**

The purpose and intent of this measure is to require Native Hawaiian remains in the possession of the State whose provenience is unknown, or in other special circumstances, to be reinterred annually on the island of Kaho'olawe.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs and Association of Hawaiian Civic Clubs. Your Committee received comments on this measure from the Department of Land and Natural Resources and Protect Kaho'olawe 'Ohana.

Your Committee finds that the State is in possession of numerous Native Hawaiian remains with unknown origins. Because the State does not know where these remains originated and there is no policy or rule dictating where they should be reinterred, the remains are languishing in storage facilities. Your Committee finds that these remains should be respectfully reinterred as soon as possible but understand that many Native Hawaiian advocacy groups have significant concerns regarding the reinterment process.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language to:

- (1) Establish a working group to create a process to select and reinter Native Hawaiian remains in the possession of the State, whose provenience is unknown, or in other special circumstances, on the island of Kaho'olawe; and
- (2) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 320, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2201 (Joint) Hawaiian Affairs and Technology and the Arts on S.B. No. 234**

The purpose and intent of this measure is to establish a task force to develop additional procedures and protocols in the event a lineal or cultural descendant of Native Hawaiian skeletal remains that are interred at a burial site cannot be established.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources and Association of Hawaiian Civic Clubs.

Your Committees find that island burial councils are responsible for identifying the cultural and lineal descendants of Native Hawaiian remains, or iwi, and must execute burial treatment plans to best preserve the iwi. Often times, however, the burial councils cannot establish the iwi's lineal or cultural descendants and must defer a decision on the treatment of the iwi, causing significant delays to the development project, and also the preservation of the iwi. This measure seeks to ultimately establish additional procedures for the burial councils to follow when the lineal or cultural descendants are unknown so that a burial treatment plan can be completed as soon as possible.

Your Committees have amended this measure by:

- (1) Removing language suggesting that Kaho'olawe be considered as an alternate burial site for Native Hawaiian remains with no lineal or cultural descendants;
- (2) Clarifying that the task force shall consider options, in alignment with Native Hawaiian burial practices, for preservation in place and reburial when necessary;
- (3) Requiring the task force to submit a report of its findings and recommendations to the Legislature and the Governor no later than twenty days prior to the Regular Session of 2015, rather than 2014;
- (4) Clarifying that the task force will cease to exist on June 30, 2015, rather than June 30, 2014; and
- (5) Changing the effective date to July 1, 2014.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 234, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 234, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 2202 (Joint) Hawaiian Affairs and Human Services and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2836**

The purpose and intent of this measure is to make permanent certain provisions for affordable housing credits for Hawaiian homelands.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Hawaii Primary Care Association, and Community Alliance for Mental Health. Your Committees received testimony in opposition to this measure from the City and County of Honolulu's Department of Planning and Permitting and Kauai County Housing Agency.



Your Committees find that affordable housing credits afforded the Department of Hawaiian Home Lands since the passage of Act 141, Session Laws of Hawaii 2009, have resulted in successful private-public partnerships between the Department and developers to develop homestead lots. Extending the provision of affordable housing tax credits to the Department will help the Department further develop its affordable housing inventory and fulfill its obligation to its beneficiaries.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs, Human Services, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2836 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.

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Human Services

Ayes, 3. Noes, none. Excused, 2 (Green, Kidani).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2203 (Joint) Hawaiian Affairs and Public Safety, Intergovernmental and Military Affairs on H.B. No. 866**

The purpose and intent of this measure is to:

- (1) Clarify the counties' ownership of and responsibility for certain existing sewer systems and facilities servicing Hawaiian home lands; and
- (2) Require the counties to accept dedication or license of and responsibility for certain other sewer systems and facilities servicing Hawaiian home lands.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Office of Hawaiian Affairs, and Ko'olaupoko Hawaiian Civic Club. Your Committees received testimony in opposition to this measure from the City and County of Honolulu's Department of Environmental Services.

Your Committees find that the counties are uniquely positioned to operate, improve, repair, maintain, and replace sewer transmission lines and other sewerage facilities. Although the counties developed and maintained certain sewer systems on Hawaiian home lands, the counties are not taking responsibility for the upkeep of these sewer systems. This measure ensures that the counties will operate and maintain certain sewer systems servicing Hawaiian home lands, allowing the Department of Hawaiian Home Lands to focus its efforts on developing new homes for its beneficiaries.

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 Hawaiian Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 866, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 866, 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.

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2204 (Joint/Majority) Agriculture and Higher Education and Judiciary and Labor on S.B. No. 2454**

The purpose and intent of this measure is to establish a task force to determine whether a state-established regulatory regime should be established to address the agricultural use of genetically modified organisms.

Your Committees received testimony in support of this measure from the Department of Agriculture, University of Hawaii, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, and The Chamber of Commerce of Hawaii. Your Committees received testimony in opposition to this measure from IMUAlliance and five individuals. Your Committees received comments on this measure from Babes Against Biotech.

Your Committees find that the use of genetically modified organisms is a polarizing issue for Hawaii residents. Differing views and emotions surrounding the issue make it difficult for lawmakers to determine a prudent and responsible way to address the public's concerns regarding the use, regulation, or prohibition of genetically modified organisms. Accordingly, this measure brings together different stakeholders to examine the issue in a deliberate and objective manner.

After hearing testimony, your Committees note that the task force may want to include additional stakeholders such as papaya farmers, organic farmers, and small farmers growing genetically modified crops.

Your Committees have amended this measure by:

- (1) Replacing the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources with the Vice President for Research and Innovation at the University of Hawaii, as a member and chairperson of the task force;

- (2) Clarifying that the task force should develop recommendations for state regulations regarding genetically modified organisms only if the task force deems a regulatory regime necessary;
- (3) Providing the task force with discretion to add additional members to the task force; and
- (4) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture, Higher Education, and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2454, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2454, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 4. Noes, none. Excused, 3 (English, Wakai, Slom).

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

Judiciary and Labor

Ayes, 4; Ayes with Reservations (Gabbard). Noes, 2 (Ihara, Slom). Excused, 1 (Solomon).

**SCRep. 2205      Agriculture on S.B. No. 2433**

The purpose and intent of this measure is to require that all agricultural products sold at farmers' markets be displayed with a label or sign containing an identity statement declaring the products' geographic origin.

Your Committee received testimony in support of this measure from the Hawaii Farmers Union United and eight individuals. Your Committee received testimony in opposition to this measure from the Department of Agriculture. Your Committee received comments on this measure from the Hawaii Farm Bureau Federation.

Your Committee finds that farmers' markets establish and maintain connections between consumers and local farms, while increasing the production and consumption of local foods. There have been instances, however, where consumers assumed they were purchasing local produce at a farmers' market, only to find out later that the produce was imported and bought from wholesalers. This measure ensures that consumers know the geographic origin of all agricultural products sold at farmers' markets.

Your Committee expressed concern that requiring vendors to label their products and to keep records for two years would be prohibitively expensive for some vendors. However, your Committee notes that the intent of this measure is not to require vendors to purchase expensive signs and labels. This measure only requires that the identity statement be reasonably sized and conspicuously displayed - a handwritten sign on notebook paper would be sufficient to satisfy the intent behind this measure. Your Committee, however, believes that requiring vendors to keep records for two years is overly burdensome.

Accordingly, your Committee has amended this measure by removing language requiring farmers' market vendors to maintain records on the volume and geographic origin of products sold and any other records required by the Department of Agriculture, for at least two years.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2433, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 2206      (Joint) Agriculture and Higher Education and Economic Development, Government Operations and Housing on S.B. No. 2400**

The purpose and intent of this measure is to require the Agribusiness Development Corporation and the University of Hawaii College of Tropical Agriculture and Human Resources to design a program that identifies emerging crops and productive uses for lands managed by the Agribusiness Development Corporation and prepares a workforce to cultivate these lands.

Your Committees received testimony in support of this measure from the Agribusiness Development Corporation, University of Hawaii College of Tropical Agriculture and Human Resources, Hawaii Farmers Union United, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, and eight individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that maximizing agricultural productivity is crucial to improving Hawaii's economy and food security. By identifying niche crops and assisting new farmers in developing new businesses, the program proposed by this measure will provide long-term career opportunities for Hawaii's farmers and maximize the value of agricultural lands.

Your Committees expressed concern that the Department of Agriculture and the Agribusiness Development Corporation were not working together to maximize the efficient use of state agricultural assets to support a growing diversified agricultural economy. Your Committees conclude that the Agribusiness Development Corporation and the Department of Agriculture should coordinate strategies, in addition to the proposed program, to maximize state agricultural assets under their management and the efficient delivery of agricultural programs and services. Similarly, your Committees conclude that the Agribusiness Development Corporation, Department of Agriculture, and University of Hawaii College of Tropical Agriculture and Human Resources should coordinate strategies to provide technical support to farmers to maximize efficiency and productivity.

Accordingly, your Committees have amended this measure by:

- (1) Adding language to:
  - (A) Require the Agribusiness Development Corporation and Department of Agriculture to develop a coordinated strategy to lease state agricultural lands in a manner that will provide opportunities for new, small, mid-size, and large farms to maximize production in a cost-efficient manner;
  - (B) Require the Agribusiness Development Corporation and Department of Agriculture to develop a coordinated strategy to use state lands, facilities, and infrastructure to support emerging and specialty crops and maximize agricultural development;
  - (C) Require the Agribusiness Development Corporation, Department of Agriculture, and University of Hawaii College of Tropical Agriculture and Human Resources to coordinate and provide technical support to farmers to identify emerging crops, including specialty crops particularly suited to a particular area to optimize diversified agricultural production on state lands, and to support and cultivate successful agricultural businesses;
- (2) Deleting inaccurate findings from section 1; and
- (3) 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 Agriculture, Higher Education, and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2400, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2400, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 6. Noes, none. Excused, 1 (Wakai).

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Tokuda, Slom).

Economic Development, Government Operations and Housing

Ayes, 6. Noes, none. Excused, 1 (Wakai).

**SCRep. 2207      Agriculture on S.B. No. 3059**

The purpose and intent of this measure is to increase the important agricultural land qualified agricultural cost tax credit in certain situations.

Your Committee received testimony in support of this measure from the Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from the Department of Agriculture, Department of Taxation, and Tax Foundation of Hawaii.

The important agricultural land qualified agricultural cost tax credit was enacted to incentivize landowners to designate agricultural lands as important agricultural lands. Since the credit's enactment, 101,000 acres have been designated as important agricultural lands in Hawaii. Your Committee concludes that increasing the tax credit will incentivize more landowners to designate their lands as important agricultural lands.

Some members of your Committee are concerned, however, that the increase in tax credits will be a windfall to those landowners who have already designated their lands as important agricultural lands because they will be able to receive the greater tax credit retroactively. This concerns some members of your Committee because the purpose of the tax credit is to incentivize landowners to designate their lands as important agricultural lands, rather than to reward landowners who already designated their lands as important agricultural lands. In contrast, other members of your Committee believe that not allowing the increased tax credit to be applied retroactively will punish those landowners who already designated their lands as important agricultural lands. Moreover, landowners who are thinking about designating their lands as important agricultural lands may wait to make the designation if they anticipate the Legislature will increase the tax credit even more in the future. Your Committee concluded that this issue would be better addressed by your Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3059 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 (Wakai, Slom).

**SCRep. 2208      Public Safety, Intergovernmental and Military Affairs on S.B. No. 3119**

The purpose and intent of this measure is to appropriate funds for the establishment of rehabilitative programs at Kulani Correctional Facility.

Your Committee received testimony in support of this measure from the Department of Public Safety; Sovereign Councils of the Hawaiian Homelands Assembly; Community Alliance on Prisons; Hawaii Peace and Justice; Feed the Children; Dream Navigator LLC; WSRSL; United Public Workers, AFSCME, Local 646, AFL-CIO; and twenty-two individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from two individuals.

Your Committee finds that Act 117, Session Laws of Hawaii 2012, authorized correctional rehabilitative programs at Kulani Correctional Facility. This measure provides the resources necessary to implement those programs. Your Committee further recognizes that the creation of a pu'uhonua, or wellness center, that reestablishes highly recognized native Hawaiian cultural practices will help restore the overall well-being of persons, families, and the native Hawaiian community.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3119 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; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Baker).

**SCRep. 2209 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2885**

The purpose and intent of this measure is to allow the Director of Public Safety to recruit qualified candidates for appointment to the positions of Mental Health Branch Administrator and Mental Health Section Administrators without regard to civil service laws.

Your Committee received testimony in support of this measure from the Department of Public Safety. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that in 2008, the Department of Public Safety entered into a settlement agreement with the United States Department of Justice to improve mental health services available to persons incarcerated at the Oahu Community Correctional Center. Since that time, substantial improvements have been made, including the creation of additional positions to manage mental health services statewide. However, it has been a challenge to fill these positions with qualified individuals due to the unique nature of providing health services within the correctional setting. This measure will allow the Director of Public Safety more flexibility in appointing a Mental Health Branch Administrator and Mental Health Section Administrators.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2885 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 (Baker).

**SCRep. 2210 (Majority) Public Safety, Intergovernmental and Military Affairs on S.B. No. 2591**

The purpose and intent of this measure is to:

- (1) Require the chief of each county police department to submit an annual report to the Legislature by January 31 of each year covering misconduct incidents that resulted in suspension or discharge of a police officer from the calendar year immediately prior to the year of the report submission;
- (2) Specify the information each report must contain, including updated information from previous reports; and
- (3) Require the county police departments to retain the disciplinary records in accordance with their respective record retention policies or for at least six months, whichever period is longer.

Your Committee received testimony in support of this measure from the Civil Beat Law Center for the Public Interest and one individual. Your Committee received testimony in opposition to this measure from the State of Hawaii Police Officers Union.

Your Committee finds that for over a decade, the only public information available concerning final suspensions of police officers has been the annual report to the Legislature, required by section 52D-3.5, Hawaii Revised Statutes; however, these reports provide minimal detail. This measure improves the applicability of section 52D-3.5, Hawaii Revised Statutes, and creates a more informed public dialogue about misconduct by police officers.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2591 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Baker).

**SCRep. 2211 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2401**

The purpose and intent of this measure is to provide protection to abuse victims by extending the period of separation that a law enforcement officer shall order when there is suspicion of physical abuse or harm to 4:30 p.m. on the second business day following the weekend or legal holiday if:

- (1) The forty-eight hour period of separation expires on any Saturday, Sunday, or legal holiday; or
- (2) The incident occurs after 12:00 p.m. on any Friday, or on any Saturday, Sunday, or legal holiday.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, Department of the Prosecuting Attorney of the County of Kauai, Honolulu Police Department, Maui Police Department, and one individual.

Your Committee finds that the intent of the forty-eight hour period of separation is to keep the abuser away from the victim and give the victim time to get a restraining order and find a safe shelter. An abuse victim does not receive the benefit of the forty-eight hour separation period if an abuse happens over the weekend or on a holiday, as all government agencies and many private organizations are

closed. This measure will give abuse victims additional time to get help and legal protection by extending the period of separation that a law enforcement officer shall order under specified circumstances.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2401 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2212 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2315**

The purpose and intent of this measure is to appropriate funds for the Department of Public Safety to provide substance abuse treatment services to the inmates of the Halawa Correctional Facility.

Your Committee received testimony in support of this measure from the Department of Public Safety; Hawaii Substance Abuse Coalition; and Community Alliance on Prisons.

Your Committee finds that a substantial number of inmates incarcerated at Halawa Correctional Facility have significant substance abuse problems. However, the Halawa Correctional Facility lacks the resources to provide substance abuse treatment services to inmates who need the services. This measure appropriates funds to increase the availability of substance abuse treatment services at Halawa Correctional Facility.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2315 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. 2213 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2313**

The purpose and intent of this measure is to ensure that Deputy Sheriff recruits will be able to perform essential functions of the position by:

- (1) Implementing a sophisticated pre-employment psychological evaluation to screen Deputy Sheriff recruits; and
- (2) Appropriating funds for the Department of Public Safety to perform the psychological testing of Deputy Sheriff recruits.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that the State entrusts Deputy Sheriffs with tremendous authority. The work experience can be highly stressful, physically and mentally, but the Deputy Sheriffs must be able to make appropriate decisions under difficult circumstances. This measure will help ensure that Deputy Sheriff recruits will be able to perform essential functions of the position, securing the safety of the public and fellow officers, by providing the resources necessary for the Department of Public Safety to develop and implement pre-employment psychological screening.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2313 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 (Baker).

**SCRep. 2214 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2113**

The purpose and intent of this measure is to repeal the requirement that the County of Kauai contract with the Kauai Humane Society for the seizure and impoundment of unlicensed dogs and related actions.

Your Committee received testimony in support of this measure from the Kauai Humane Society; Animal Haven; and one individual.

Your Committee finds that the County of Kauai is mandated to contract with the Kauai Humane Society regarding the seizure and impoundment of unlicensed dogs. Due to a lack of funding, the Kauai Humane Society is faced with decreased operational hours, making the requirements set forth in section 143-16, Hawaii Revised Statutes, difficult to fulfill. This measure will prevent statutory violations through the repeal of the requirement that the County of Kauai contract with the Kauai Humane Society.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2113 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2215 Commerce and Consumer Protection on S.B. No. 2809**

The purpose and intent of this measure is to amend Hawaii's utility ratemaking laws to allow utilities to earn a fair return on utility property that is used and useful.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Public Utilities Commission; and Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaiian Electric Company, Inc.

Your Committee finds that existing statute allows public utilities to earn a fair return on public utility property that is “used or useful” for public utility ratemaking purposes. However, the “used and useful” principle is widely accepted as the regulatory industry standard for determining fair value in ratemaking. Hawaii courts, including the Hawaii Supreme Court, also use “used and useful” when deciding cases or disputes involving Hawaii’s utility ratemaking laws. This measure conforms Hawaii statutes with practices followed by the Public Utilities Commission and state courts when ruling on dockets and cases involving application of Hawaii’s utility ratemaking laws.

Your Committee has heard the concerns raised in testimony that changing the statutory language from “used or useful” to “used and useful” may create uncertainty about how to treat and manage certain utility property. Your Committee notes that the intent of this measure is to provide guidance to the Public Utilities Commission and create consistency with best regulatory practices throughout the country. Therefore, it is appropriate to add a purpose section to this measure to better explain its intent.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a purpose section clarifying that this measure aligns statutory language regarding utility ratemaking with widely accepted utility ratemaking principles and ratemaking practices already applied in Hawaii and is prospective in nature and clarifying that specific application of this measure should be left to the discretion of the Public Utilities Commission; and
- (2) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2809, 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 (Taniguchi).

**SCRep. 2216 (Joint) Energy and Environment and Agriculture on S.B. No. 2196**

The purpose and intent of this measure is to:

- (1) Re-establish the energy systems development special fund;
- (2) Increase the amount of the environmental response, energy, and food security tax to be deposited into the environmental response revolving fund, energy security special fund, and agricultural development and food security special fund; and
- (3) Extend the repeal of various allocations of the environmental response, energy, and food security tax from June 30, 2015, to June 30, 2030.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Agriculture; Department of Health; Public Utilities Commission; Hawai‘i Natural Energy Institute; County of Kauai Office of Economic Development; Hawaii Renewable Energy Alliance; Renewable Energy Action Coalition of Hawaii; Ulupono Initiative; Nature Conservancy; Hawai‘i Energy Policy Forum; Sierra Club of Hawaii; Hawai‘i Green Growth; Blue Planet Foundation; and one individual. Your Committees received testimony in opposition to this measure from The Chamber of Commerce of Hawaii and one individual. Your Committees received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committees find that the energy systems development special fund sunset in June 2013, returning the 10 cent tax on each barrel of petroleum product imported in Hawaii to the general fund. Re-establishing the energy systems development special fund will provide funding to support Hawaii projects important for achieving state energy goals, such as renewable power generation, advanced transportation, energy efficient end-use technologies, and the integration of systems to allow increased renewable use.

Your Committees further find that the environmental response, energy, and food security tax funds vital sustainability measures to help make Hawaii more self-sufficient. This tax was designed to support critical investments in clean energy, local agricultural production, and environmental response; reduce the State’s dependence on imported fossil fuels and food products; and support environmental activities and programs. The environmental response, energy, and food security tax further represents a balanced approach to public policy where an increase in fossil fuel consumption would generate more funding in these initiatives. During difficult economic times, the fund was intended to be diverted only temporarily toward the general fund. However, the fund has yet to be restored to its original purpose of environmental restoration.

Your Committees have amended this measure by:

- (1) Further increasing the amount of environmental response, energy, and food security tax deposited into the environmental response revolving fund from 10 cents to 15 cents;
- (2) Decreasing the amount of tax deposited into the energy security special fund from 42.5 cents to 25 cents;
- (3) Decreasing the amount of tax deposited into the agricultural development and food security special fund from 42.5 cents to 25 cents; and
- (4) Extending the sunset date to June 30, 2030, for the deposit of a portion of the environmental response, energy, and food security tax into the:
  - (A) Environmental response revolving fund;

(B) Energy security special fund, including an extension of certain uses of monies in that fund and reporting related to that fund; and

(C) Agricultural development and food security special fund.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2196, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2196, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Agriculture  
Ayes, 5. Noes, none. Excused, 2 (Thielen, Slom).

**SCRep. 2217 (Joint) Energy and Environment and Agriculture on S.B. No. 2658**

The purpose and intent of this measure is to:

- (1) Require that solar energy facilities on agricultural lands with an overall productivity rating of class B or C occupy up to thirty, rather than ten, percent of the acreage of the parcel or two or more adjacent parcels having met certain county requirements; provided that the area occupied by the solar energy facilities in excess of twenty acres shall only be made available for agricultural activities compatible with the solar energy facilities; and
- (2) Require that solar energy facilities be removed from the land within twelve months when the facilities are no longer in operation.

Your Committees received testimony in support of this measure from the Hawaii Renewable Energy Alliance, The Pacific Resource Partnership, Blue Planet Foundation, Tin Roof Ranch, First Wind Solar Group, and one individual. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Agriculture; Land Use Commission; and Office of Planning.

Your Committees find that renewable energy development is essential to Hawaii's energy security. Allowing solar energy facilities within the agricultural district furthers and is consistent with the purposes, standards, and criteria of uses within agricultural lands, while increasing Hawaii's energy self-sufficiency and food security.

Your Committees have amended this measure by:

- (1) Clarifying that where the area occupied by a solar energy facility within an agricultural district with an overall productivity rating of class B or C is in excess of twenty acres, the area shall be made available for agricultural activities that are compatible with the solar energy facilities at a lease rate that is at least fifty percent below fair market rent for comparable properties; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2658, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2658, S.D. 1, and be referred to the Committee on Water and Land.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Agriculture  
Ayes, 5. Noes, none. Excused, 2 (Thielen, Slom).

**SCRep. 2218 (Joint) Energy and Environment and Economic Development, Government Operations and Housing on S.B. No. 2804**

The purpose and intent of this measure is to provide that:

- (1) Agencies entering into energy performance contracts receive sufficient budget appropriations and have access to financing options to sustain their energy performance contract projects and energy and maintenance costs;
- (2) An energy performance contract has a maximum term of twenty-five years, including the construction period; and
- (3) Agencies implementing performance contracts provide annual reports to the Department of Business, Economic Development, and Tourism.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Department of Accounting and General Services.

Your Committees find that energy performance contracting offers significant opportunities for agencies to improve their facilities and operations. Energy performance contracting is a method of paying for facility improvements using energy and operational savings through a contracting vehicle that provides an opportunity to install more efficient equipment, address deferred maintenance, use

renewable energy technologies, and reduce operational costs. More importantly, state agencies have seen the value of using energy performance contracting to improve the energy efficiency of their facilities, thereby addressing deferred maintenance and achieving reduced facility life cycle operating costs.

Your Committees have amended this measure by:

- (1) Amending language to define the term “annual cost savings”, rather than “energy cost savings”; and
- (2) 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 Energy and Environment and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2804, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2804, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

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

Economic Development, Government Operations and Housing

Ayes, 6. Noes, none. Excused, 1 (Baker).

**SCRep. 2219 (Joint) Education and Health on S.B. No. 2422**

The purpose and intent of this measure is to:

- (1) Allow Department of Education employees and agents to volunteer to administer epinephrine to a student in anaphylactic shock;
- (2) Require the Department of Health to provide proper instruction and training to every employee or agent who volunteers to administer glucagon or epinephrine;
- (3) Require a student’s parent or guardian to provide the Department of Education with written authorization for auto-injectable epinephrine and to supply auto-injectable epinephrine supplies to administer the epinephrine; and
- (4) Make an appropriation for required instruction, training, and related expenses.

Your Committees received testimony in support of this measure from the Department of Education; Department of Health; Hawaii Disability Rights Center; Special Education Advisory Council; Community Children’s Councils; Mylan, Inc.; and Witt Counseling Services. Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice and one individual.

Your Committees find that this measure is necessary to clarify that Department of Education employees and agents may volunteer to administer epinephrine to a student in anaphylactic shock.

Your Committees further find that it is imperative that Department of Education employees and agents who volunteer to administer epinephrine to a student in anaphylactic shock are given proper instruction on the administration of epinephrine.

Your Committees have amended this measure by:

- (1) Removing the requirement that the Department of Health provide instruction and training to Department of Education employees and agents who volunteer to administer glucagon and epinephrine;
- (2) Inserting language requiring the Department of Education employees and agents who volunteer to administer glucagon and epinephrine to receive instruction by a qualified health care professional overseen by the Department of Health;
- (3) Reinserting the definition of a “qualified health care professional”;
- (4) Inserting an appropriation amount of \$350,000 to the Department of Education;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) 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 Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2422, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2422, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

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

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2220 (Joint) Education and Health on S.B. No. 2235**

The purpose and intent of this measure is to require children to undergo a physical examination prior to attending kindergarten, sixth grade, and ninth grade beginning with the 2015-2016 school year.



Your Committees received testimony in support of this measure from the University of Hawaii John A. Burns School of Medicine, Hawai'i Pacific Health, American Diabetes Association, Hawaii Chapter of the American Academy of Pediatrics, Hawai'i Primary Care Association, Waianae Coast Comprehensive Health Center, and four individuals. Your Committees received testimony in opposition to this measure from the Department of Education. Your Committees received comments on this measure from the Department of Health, Office of Hawaiian Affairs, and one individual.

Your Committees find that currently, children are required to undergo a physical examination only prior to attending school in Hawaii for the first time, unless they play sports. Back-to-school checkups are often the only visit most children and teenagers have with their doctors. Requiring children to undergo a physical examination will promote greater wellness for Hawaii's school children. In addition, the federal Patient Protection and Affordable Care Act mandates insurance coverage for regular child wellness exams.

Your Committees recognize the concerns raised by the Department of Education that mandating students to undergo a physical examination before they may attend kindergarten, sixth, and ninth grades, may serve as a deterrent to some for maintaining continuous enrollment and attendance.

Accordingly, your Committees have amended this measure by:

- (1) Requiring a child to undergo a physical examination within twelve months before or after attendance in the seventh grade, rather than prior to attendance in kindergarten, sixth, and ninth grades; provided that a child must undergo a physical examination prior to attending school for the first time in the State;
- (2) Deleting language regarding the submission of certain documentation to allow provisional attendance while in the process of undergoing a physical examination for seventh grade attendance;
- (3) Adding language to specify that documentation showing that the required physical examination has been completed shall be submitted to the appropriate school official prior to the child's completion of seventh grade, rather than prior to three months after the date of attendance;
- (4) Deleting language that would have exempted children who are subject to the physical examination requirement for seventh grade attendance from the physical examination requirement for first-time school attendance in the State, thereby requiring documentation showing completion of the physical examination to be submitted prior to completion of seventh grade in the former case and no later than three months after a child's first attendance in school in the latter case;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

If this measure is considered for passage by your Committee on Ways and Means, your Committees note that the Department of Education has indicated it will need funding in the amount of \$1,600,000 and fifty-five full-time equivalent (55.0 FTE) positions to carry out the purposes of this measure.

In addition, if this measure is considered for passage by your Committee on Ways and Means, your Committees request an examination of whether immunization requirements should be similarly amended to allow a child to receive the required immunizations within twelve months before or after school attendance.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2235, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2235, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2221 (Joint) Human Services and Economic Development, Government Operations and Housing on S.B. No. 2543**

The purpose and intent of this measure is to establish the homeownership revolving fund to pay the debt service for a dwelling purchased by households whose income does not exceed eighty percent of the area median income, with reimbursement at zero percent interest for the first sixty months and on a graduated scale thereafter.

Your Committees received testimony in support of this measure from Habitat for Humanity Maui, Community Alliance for Mental Health, and Hawaii Habitat for Humanity Association. Your Committees received comments on this measure from the Department of Budget and Finance and Hawaii Housing Finance and Development Corporation.

Your Committees find that encouraging homeownership is beneficial to society because homeownership provides shelter and stability to families and fosters involvement in community life. Your Committees heard testimony expressing concern that this measure may allow individuals to become homeowners before they are prepared for the responsibilities of owning and sustaining a home. In addition, testimony submitted to your Committees indicates that the homeownership revolving fund may not be adequately self-sustaining and, therefore, may not comply with statutory requirements.

Accordingly, your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Human Services and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B.

No. 2543, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2543, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Economic Development, Government Operations and Housing

Ayes, 4. Noes, none. Excused, 3 (Baker, English, Wakai).

**SCRep. 2222 (Joint/Majority) Health and Commerce and Consumer Protection on S.B. No. 2029**

The purpose and intent of this measure is to:

- (1) Increase the minimum age to purchase tobacco products, including electronic smoking devices, from eighteen to twenty-one;
- (2) Prohibit the sale or furnishing of tobacco or an electronic smoking device to a person under twenty-one; and
- (3) Make conforming amendments regarding minimum age to enter certain premises.

Your Committees received testimony in support of this measure from the Department of Health; Police Department, City and County of Honolulu; The Queen's Health Systems; American Cancer Society; Hawaii Primary Care Association; Coalition for a Tobacco-Free Hawaii; American Lung Association; and several individuals. Your Committees received testimony in opposition to this measure from Volcano Fine Electronic Cigarettes, Hawaii Smokers Alliance, and one individual.

Your Committees find that tobacco use is the leading cause of preventable disease, disability, and death in Hawaii. Your Committees further find that tobacco companies actively target young adults between the ages of eighteen and twenty-one, because it is a critical time period when young adults transition from experimentation to addiction. Additionally, more than nine in ten people start smoking before the age of twenty-one.

Your Committees have amended this measure by:

- (1) Clarifying that the tobacco restrictions apply to persons born on or after July 1, 1996, until the day of their twenty-first birthday; and
- (2) 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 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. 2029, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2029, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 3; Ayes with Reservations (Nishihara). Noes, 2 (Chun Oakland, Slom). Excused, none.

Commerce and Consumer Protection

Ayes, 4; Ayes with Reservations (Nishihara, Wakai). Noes, 1 (Slom). Excused, none.

**SCRep. 2223 Health on S.B. No. 2849**

The purpose and intent of this measure is to authorize the Department of Health to create permanent or temporary privacy officer and security officer positions, which shall be exempt from civil service requirements.

Your Committee received testimony in support of this measure from the Department of Health. Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association.

Your Committee finds that the Health Insurance Portability and Accountability Act of 1996 introduced rigorous national privacy and security standards to assure that personal health information remains confidential. Your Committee further finds that the privacy officer and security officer positions are necessary to help meet these standards, and they will work in tandem to manage the Department of Health's risks associated with any unauthorized acquisition, access, use, or disclosure of protected health information that compromises the security or privacy of the information.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2849, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2849, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2224 Health on S.B. No. 2227**

The purpose and intent of this measure is to:

- (1) Increase access to provider orders for life-sustaining treatment by updating references from "physician orders for life-sustaining treatment" to "provider orders for life-sustaining treatment" throughout chapter 327K, Hawaii Revised Statutes;

- (2) Expand health care provider signatory authority to include advanced practice registered nurses; and
- (3) Correct inconsistencies over terms used to describe who may sign a provider order for life-sustaining treatment form on behalf of a patient.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Healthcare Association of Hawaii, Hawaii State Center for Nursing, The Queen's Health Systems, American Association of Nurse Practitioners, Kokua Mau, Hawaii Medical Service Association, Hawaii Association of Professional Nurses, Hawaii Pacific Health, Hospice Hawaii, and several individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that the use of provider orders for life-sustaining treatment, commonly referred to as POLST, is a holistic method of planning for end-of-life care with a specific set of medical orders to ensure that patients' wishes are honored. Your Committee further finds that expanding signatory authority to include advanced practice registered nurses will promote efficiency, assist with a timely completion of provider orders for life-sustaining treatment for patients, and expand access to health care professionals who may sign provider orders for life-sustaining treatment, which will be highly beneficial for individuals living in rural areas and neighbor islands.

Your Committee notes that the intent of this measure is to encourage meaningful dialogue between patients, or their designated surrogates, and health care providers.

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. 2227 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2225 Health on S.B. No. 2866**

The purpose and intent of this measure is to make an emergency appropriation to support the functions of the Hawaii Health Systems Corporation and its regions.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation, Community Alliance for Mental Health, and one individual.

Your Committee finds that due to state restrictions on appropriations over the past few years, the Hawaii Health Systems Corporation currently has dangerously low levels of funding and high levels of accounts payable. Your Committee further finds that without an emergency appropriation, Hawaii Health Systems Corporation's health care operations will be severely impacted, and the impact will place the health care of the residents and visitors of the State in jeopardy.

Your Committee has amended this measure by:

- (1) Increasing the appropriation amount from \$15,500,000 to \$18,200,000; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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. 2866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2866, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2226 Health on S.B. No. 2045**

The purpose and intent of this measure is to:

- (1) Establish a Hawaii colorectal cancer screening awareness pilot program using the Hawaii comprehensive breast and cervical cancer control program as a model; and
- (2) Appropriate funds for the first year of the pilot program.

Your Committee received testimony in support of this measure from the Department of Health, American Cancer Society, The Queen's Health Systems, and six individuals.

Your Committee finds that colorectal cancer, often referred to as colon cancer, is a dangerous and deadly cancer that affects approximately nine hundred people in Hawaii each year. Your Committee further finds that a screening program for colorectal cancer will increase detections of cancers at an early state, improving chances for survival and decreasing mortality rates.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2045, 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 (Nishihara, Slom).

**SCRep. 2227 Health on S.B. No. 2447**

The purpose and intent of this measure is to make an appropriation of \$100,000 to the Department of Health for the comprehensive breast and cervical cancer control program.

Your Committee received testimony in support of this measure from the Department of Health, American Cancer Society, The Queen's Health Systems, Planned Parenthood, and four individuals.

Your Committee finds that the Department of Health's breast and cervical cancer control program provides critical screening and early detection services to women who are at risk, uninsured, underinsured, and rarely or never screened. Your Committee further finds that maintaining adequate funding will preserve a vital safety net for thousands of women in Hawaii who lack access to essential screening, diagnostic, and treatment services.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2447, 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 (Nishihara, Slom).

**SCRep. 2228 Health on S.B. No. 2855**

The purpose and intent of this measure is to make an emergency appropriation to the Department of Health for the provision of services provided by the Developmental Disabilities Division for adults and children living in Hawaii as citizens of Compact of Free Association (COFA) countries who are eligible to receive those services.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Disability Rights Center, Community Alliance for Mental Health, and State Council on Developmental Disabilities.

Your Committee finds that COFA citizens must be provided community-based services with one hundred percent state funding from the Department of Health to comply with a federal court directive. Your Committee further finds that this new development requires the Department of Health to provide home and community-based services to forty-seven newly eligible individuals, creating the necessity for the emergency appropriation proposed by this measure.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2855, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2229 Health on S.B. No. 2854**

The purpose and intent of this measure is to decrease the total number of members on the Neurotrama Advisory Board from twenty-one to at least eleven members, while maintaining representation of nearly all existing parties.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee finds that a smaller number of members on the Neurotrama Advisory Board will allow the Board to achieve quorum on a regular basis, which will improve its effectiveness and capacity to assist the Department of Health. Your Committee further finds that this measure is necessary to remove member representation from the Spinal Cord Injury Association, which is no longer in operation.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2854, 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 (Nishihara, Slom).

**SCRep. 2230 Health on S.B. No. 2490**

The purpose and intent of this measure is to:

- (1) Require licensed registered nurses and licensed practical nurses to submit evidence of continuing competency at each renewal period, beginning with the June 30, 2015, licensing biennium;
- (2) Set requirements for continuing competency for licensed registered nurses and licensed practical nurses; and
- (3) Require each licensee to keep and maintain records showing that continuing competency has been completed.

Your Committee received testimony in support of this measure from the University of Hawaii at Manoa School of Nursing, Hawaii Medical Association, Hawaii Pacific Health, Hawaii State Center for Nursing, Pali Momi Medical Center, and seven individuals. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Board of Nursing.

Your Committee finds that nurses are critical to health care reform. Your Committee further finds that continuing education plays a significant role in nursing professionals' ongoing development. This measure encourages nurses to embrace lifelong learning as an essential key to delivering safe, high quality patient care.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2490, 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, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2231 Health on S.B. No. 2237**

The purpose and intent of this measure is to appropriate funds for the interdisciplinary Hawaii Health Systems Corporation primary care training program at Maui Memorial Medical Center.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation, Community Alliance for Mental Health, Hawaii Medical Association, Healthcare Association of Hawaii, Maui Memorial Medical Center, Hawaii Primary Care Association, Work Injury Medical Association of Hawaii, and one individual.

Your Committee finds that the State faces a severe shortage of health care providers. Your Committee further finds that increasing the potential pool of physicians and other health care providers is an important step toward addressing Hawaii's worsening shortage of physicians. This measure supports a process to elevate the standard of medical care within Hawaii's communities, as well as a pathway for the development of new medical providers to take the place of the doctors who will be retiring over the next decade.

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. 2237 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 (Nishihara, Slom).

**SCRep. 2232 Health on S.B. No. 3091**

The purpose and intent of this measure is to appropriate funds for the interdisciplinary Hawaii Health Systems Corporation primary care training program at Hilo Medical Center.

Your Committee received testimony in support of this measure from the Office of the Mayor, County of Hawaii; Hawaii County Council; Kona-Kohala Chamber of Commerce; Hawaii Healthcare Association; Hawaii Health Systems Corporation; Hawaii Medical Association; Healthcare Association of Hawaii; Hawaii Primary Care Association; Ka'u Hospital; Japanese Chamber of Commerce and Industry; Hilo Medical Center Foundation; Hawaii Medical Association; Community Alliance for Mental Health; Hastings and Pleadwell, LLC; Hawaii Island Family Medicine Residency; and several individuals.

Your Committee finds that the island of Hawaii continues to face a severe physician shortage, with projections suggesting that the physician shortage will dramatically worsen in the next five years as many doctors retire. Your Committee further finds that a recent study estimates that Hawaii County needs one hundred fifty more doctors to provide an adequate level of access to health care. This measure will help relieve the acute physician shortage across the State, especially in rural areas.

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. 3091 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 (Nishihara, Slom).

**SCRep. 2233 Health on S.B. No. 2107**

The purpose and intent of this measure is to appropriate funds for the Hawaii Health Systems Corporation primary care training program at the Hilo Medical Center.

Your Committee received testimony in support of this measure from the Office of the Mayor, County Hawaii; County Council, County of Maui; Hawaii County Council; Hawaii State Association of Counties; Healthcare Association of Hawaii; Hawaii Health Systems Corporation; West Hawaii Regional Board of the Hawaii Health Systems Corporation; Japanese Chamber of Commerce and Industry; Hilo Medical Center Foundation; Hawaii Medical Association; Community Alliance for Mental Health; Hastings and Pleadwell; Hilo Medical Center; Hawaii Island Chamber of Commerce; Hawaii Island Family Medicine Residency; Hawaii Association of Professional Nurses; and several individuals.

Your Committee finds that the State and the island of Hawaii face a severe physician shortage, with a recent study estimating that Hawaii County needs one hundred fifty more doctors to provide an adequate level of health care to residents. Your Committee further finds that the primary care training program will help to address the shortage of primary health care providers in the State. This

measure will improve health care options for thousands of patients and provide a model to meet the growing need for physicians in underserved areas.

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. 2107 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 (Nishihara, Slom).

**SCRep. 2234 (Joint) Health and Human Services on S.B. No. 2449**

The purpose and intent of this measure is to appropriate \$50,000 for the continued funding of Project Kealahou, a program that promotes community-based, individualized services for at-risk adolescent girls.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Youth Services, Community Alliance on Prisons, Hawaii Public Policy Advocates, YWCA of Oahu, and two individuals.

Your Committees find that Project Kealahou provides mental health and family support services to adolescent girls who have experienced trauma and are housed within the Child and Adolescent Mental Health Division of the Department of Health. Your Committees further find that Project Kealahou is currently funded through a federal grant that will be phased out. This measure will allow this effective program to continue to provide therapy and education to the girls and their families, while reducing the risks of suicide, violence, and future involvement in the criminal justice systems.

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. 2449 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.

Health  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2235 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2587**

The purpose and intent of this measure is to:

- (1) Establish a voluntary registry for clean and sober homes within the Department of Health by July 1, 2015;
- (2) Appropriate funds to establish the registry;
- (3) Amend county zoning statutes to comply with the federal Fair Housing Amendments Act;
- (4) Repeal definitions for terms that are defined elsewhere in the Hawaii Revised Statutes, are not used, or will be codified elsewhere in the Hawaii Revised Statutes; and
- (5) Exclude clean and sober homes from the Residential Landlord-Tenant Code.

Your Committees received testimony in support of this measure from the Department of Public Safety; Department of Health; Planning Department, County of Hawaii; City Department of Planning and Permitting, City and County of Honolulu; Hawaii Substance Abuse Coalition; Institute for Human Services; Life of the Land; and four individuals.

Your Committees find that clean and sober homes and halfway houses provide housing for individuals who struggle with substance abuse, including those who may have mental health issues, as they transition from treatment programs into the community. This measure promotes access to an alcohol- and drug-free home environment in residences that are in compliance with county, state, and federal requirements and quality standards.

Your Committees note that the estimated cost to establish the registry for clean and sober homes is \$435,000.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2587 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.

Health  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Nishihara).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 2236 (Joint/Majority) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 5**

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to work with construction industry representatives to review the prerequisites for obtaining permit approval for developments at the state and county levels.

Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that a coordinated effort between all levels of government and the private sector is necessary to expedite a sluggish and duplicative approval process for construction projects. For over twenty years, the State and counties have imposed financial requirements, such as community facilities district financing, impact fees, and infrastructure construction, on developers as prerequisites to obtaining approval for developments. As a result of these financial impositions, infrastructure construction costs may rise, and construction sometimes remains unfinished. Therefore, it is necessary to understand the effects of imposing prerequisites on the cost of construction and development, including the effect upon the communities where development has been directed.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 5 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing

Ayes, 5; Ayes with Reservations (Chun Oakland, Slom). Noes, 1 (Thielen). Excused, 1 (English).

Public Safety, Intergovernmental and Military Affairs

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Green).

**SCRep. 2237 (Joint/Majority) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on S.R. No. 5**

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to work with construction industry representatives to review the prerequisites for obtaining permit approval for developments at the state and county levels.

Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that a coordinated effort between all levels of government and the private sector is necessary to expedite a sluggish and duplicative approval process for construction projects. For over twenty years, the State and counties have imposed financial requirements, such as community facilities district financing, impact fees, and infrastructure construction, on developers as prerequisites to obtaining approval for developments. As a result of these financial impositions, infrastructure construction costs may rise, and construction sometimes remains unfinished. Therefore, it is necessary to understand the effects of imposing prerequisites on the cost of construction and development, including the effect upon the communities where development has been directed.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 5 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing

Ayes, 5; Ayes with Reservations (Chun Oakland, Slom). Noes, 1 (Thielen). Excused, 1 (English).

Public Safety, Intergovernmental and Military Affairs

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Green).

**SCRep. 2238 Health on S.B. No. 2121**

The purpose and intent of this measure is to permit insured patients to assign insurance reimbursement for dental services directly to their dentist of choice.

Your Committee received testimony in support of this measure from the Hawaii Dental Association and nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Medical Service Association and Hawaii Dental Service.

Your Committee finds that the accessibility and affordability of proper dental services are continuing problems in the State. Your Committee further finds that the current restrictions regarding assignment of reimbursement for dental services discourage and limit patients' right to choose their own dentist. This measure reduces some barriers for the people of this State to receive proper dental care and services.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2121, 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; Ayes with Reservations (Baker). Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2239 Health on S.B. No. 2492**

The purpose and intent of this measure is to improve patient access to medical care by amending several sections of the Hawaii Revised Statutes to clarify the circumstances under which advanced practice registered nurses may practice their profession to the fullest extent of their training and education.

Your Committee received testimony in support of this measure from the University of Hawaii at Manoa School of Nursing, Hawaii Pacific Health, Disability and Communication Access Board, Hawaii Association of Professional Nurses, Pali Momi Medical Center, Hawaii State Center for Nursing, American Association of Nurse Practitioners, Hawaii State Center for Nursing, The Queen's Health Systems, and several individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Board of Nursing.

Your Committee finds that certain sections within the Hawaii Revised Statutes omit advanced practice registered nurses from the definitions or designations of health care entities who may provide health care, prescribe drugs, or sign forms. Your Committee further finds that advanced practice registered nurses provide a wide variety of health care services and are recognized as participating primary health care providers for insurance purposes. This measure will enable improved access to health care services, expedite the processing of paperwork, and provide optimal care at the initial point of access for patients across the State, especially in rural and underserved areas.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2492, 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, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2240 Health on S.B. No. 2067**

The purpose and intent of this measure is to establish that it is prohibited under the Hawaii Food, Drug, and Cosmetic Act to sell, deliver for sale, hold for sale, or offer for sale any dietary supplement that does not conform to federal good manufacturing practices for dietary supplements.

Your Committee received testimony in support of this measure from The Queen's Health Systems. Your Committee received testimony in opposition to this measure from the Department of Health and three individuals.

Your Committee finds that there is an unprecedented number of patients presenting with acute liver failure in the State. Your Committee further finds that these patients were previously healthy before taking a certain weight loss and performance enhancing supplement. To prevent similar situations in the future, this measure provides additional safety assessments of dietary supplements to improve the public health.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

Your Committee notes that it is important to begin to explore the Department of Health's capacity to examine dietary supplements imported into the State. Your Committee further notes that the Department of Health would have to develop new protocols regarding dietary supplements to undertake this task.

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. 2067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2067, 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; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Chun Oakland, Nishihara).

**SCRep. 2241 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2561**

The purpose and intent of this measure is to:

- (1) Permit the establishment of a cottage food industry in Hawaii;
- (2) Establish registration and permitting requirements for cottage food operations;
- (3) Establish two classes of cottage food operations – class A to engage only in direct sales of cottage food products, and class B to engage in direct and indirect sales of cottage food products;
- (4) Establish an approved cottage food products list and procedures for the addition to or deletion from the list; and
- (5) Establish labeling requirements, prohibitions, and inspection procedures for cottage food operations.

Your Committees received testimony in support of this measure from the Local Food Coalition and several individuals. Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees find that permitting the increased development of the local cottage food industry will increase the use of local foods in small scale, value-added products. This measure supports Hawaii's local farmers and ranchers, while encouraging the consumption of locally grown foods.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and



- (2) 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 Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2561, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2561, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 3; Ayes with Reservations (Baker, Slom). Noes, none. Excused, 2 (Chun Oakland, Nishihara).

Public Safety, Intergovernmental and Military Affairs

Ayes, 4; Ayes with Reservations (Baker, Slom). Noes, none. Excused, 1 (Galuteria).

**SCRep. 2242 Health on S.B. No. 2573**

The purpose and intent of this measure is to:

- (1) Prohibit the manufacture, sale, or distribution of child care products and toys for young children that contain Bisphenol-A or phthalates beginning on January 1, 2015;
- (2) Require manufacturers to choose safe alternatives;
- (3) Prohibit the use of packages and packaging containing lead, cadmium, mercury, and hexavalent chromium beginning on January 1, 2015; and
- (4) Prohibit the Hawaii Health Systems Corporation from purchasing and using vinyl intravenous solution bags and vinyl tubing beginning on January 1, 2015.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Toy Industry Association, Inc. and American Chemistry Council.

Your Committee finds that hazardous chemicals in consumer products pose unnecessary health risks to individuals, communities, workers, and the environment. Your Committee further finds that materials containing vinyl, lead, cadmium, mercury, and hexavalent chromium may release highly toxic chemicals and pollutants. This measure encourages the use of safer alternatives for packages, packaging, intravenous solution bags, and tubing.

Your Committee has amended this measure by:

- (1) Deleting provisions that would have placed restrictions on the manufacture, sale, and distribution of child care products and toys for young children that contain Bisphenol-A or phthalates; and
- (2) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2573, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Nishihara).

**SCRep. 2243 Health on S.B. No. 2381**

The purpose and intent of this measure is to exempt the preparation of food for charitable, noncommercial purposes from certain Department of Health food safety requirements if certain conditions are met.

Your Committee received testimony in opposition to this measure from the Department of Health.

Your Committee finds that the shared values of the residents of Hawaii are deeply rooted in community and assistance for the common good, and that regulations governing charitable activities should be structured to encourage people's desire to pursue charitable practices. Your Committee further finds that food can be prepared in a safe manner utilizing the kitchens, barbeques, and traditional cultural techniques throughout the State, without the same regulation as food prepared for commercial purposes, and provided to struggling individuals and families.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2381, 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, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2244 Health on S.B. No. 2577**

The purpose and intent of this measure is to require:

- (1) Naturopathic practitioners to fulfill the same education, examination, and training requirements as physicians or osteopathic physicians licensed under chapter 453, Hawaii Revised Statutes, prior to the prescription, administration, or dispensing of any item on the naturopathic formulary; and
- (2) Authorization from the Department of Commerce and Consumer Affairs for any naturopathic physician wishing to prescribe, administer, or dispense any item on the naturopathic formulary.

Your Committee received testimony in support of this measure from the Hawaii Medical Association and Healthcare Association of Hawaii. Your Committee received testimony in opposition to this measure from Sakoda Construction, LLC, and several individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Board of Naturopathic Medicine, and one individual.

Your Committee finds that naturopathic education focuses primarily on natural treatments, and therefore offers very few contact hours of study on pharmacological treatment of disease. Your Committee further finds that the current naturopathic formulary include psychoactive agents, cardiovascular and respiratory drugs, and medical gas, which can have unpredictable effects on patients. This measure takes safety precautions by restricting the formulary for naturopathic practitioners, in recognition of the fact that naturopathic education differs from that received within allopathic or osteopathic medical schools and has fewer standards and requirements for training in the use of allopathic or osteopathic treatment modalities.

Your Committee has amended this measure by:

- (1) Removing the requirement that a naturopathic physician shall fulfill the same education, examination, and training requirements as physicians or osteopathic physicians licensed under chapter 453, Hawaii Revised Statutes, in order to qualify for prescription privileges;
- (2) Requiring naturopathic physicians to complete fifteen hours of continuing medical education in pharmacology annually in order to qualify for prescription privileges;
- (3) Requiring naturopathic physicians to submit proof of completing the continuing medical education in pharmacology to the Board of Naturopathic Medicine;
- (4) Requiring naturopathic physicians to maintain a collegial relationship with a prescribing physician licensed under chapter 453, Hawaii Revised Statutes, to qualify for prescription privileges;
- (5) Requiring the prescribing physician to perform a quarterly review of the list of naturopathic formulary items that have been prescribed by the naturopathic physician and address any concern regarding naturopathic formulary and amounts prescribed with the prescribing naturopathic physician and the Board of Naturopathic Medicine;
- (6) Restricting naturopathic physicians to prescribe only items under categories 1-7 of the naturopathic formulary effective August 9, 2013, and as may be subsequently amended;
- (7) Requiring naturopathic physicians to submit a monthly report to the Board of Naturopathic Medicine that lists the type and number of each prescription of naturopathic formulary prescribed by the naturopathic physician during the preceding month;
- (8) Requiring the Board of Naturopathic Medicine to provide to the Legislature an annual report of prescription data;
- (9) Inserting an effective date of July 1, 2014, and a sunset date of June 30, 2016; and
- (10) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2577, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2577, 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; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Chun Oakland, Nishihara).

**SCRep. 2245 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2221**

The purpose and intent of this measure is to:

- (1) Make it unlawful for tanning facilities and operators to allow use of tanning equipment by anyone under the age of eighteen; and
- (2) Require all tanning facilities and operators to provide written notice, post warning signs, and meet certain requirements relating to the safe operation of tanning equipment.

Your Committees received testimony in support of this measure from the Department of Health, AIM at Melanoma, American Cancer Society, American Academy of Dermatology Association, and six individuals.

Your Committees find that the World Health Organization labeled ultraviolet (UV) radiation from tanning devices as carcinogenic to humans. Your Committees further find that research indicates that tanning before the age of thirty-five increases the risk of melanoma by fifty-nine percent.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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. 2221, as amended herein, and

recommend that it pass Second Reading in the form attached hereto as S.B. No. 2221, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

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

**SCRep. 2246 (Joint/Majority) Health and Commerce and Consumer Protection on S.B. No. 2054**

The purpose and intent of this measure is to require health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for autism spectrum disorder treatments.

Your Committees received testimony in support of this measure from the Department of Health; State Council on Developmental Disabilities; Hawaiian Association for Behavior Analysis No Ka Oi, Inc.; Autism Society of Hawaii; Community Alliance for Mental Health; Hawaii Disability Rights Center; Autism Speaks; Community Children's Council of Hawaii; UNITE HERE Local 5; Hilopa'a Family to Family Health Information Center; Malama Pono Autism Center; Easter Seals Hawaii; and several individuals. Your Committees received testimony in opposition to this measure from Kaiser Permanente Hawaii. Your Committees received comments on this measure from the Department of Human Resources Development, Department of Commerce and Consumer Affairs, Office of Information Practices, Hawaii Medical Service Association, American Council of Life Insurers, The Chamber of Commerce of Hawaii, and one individual.

Your Committees find that autism spectrum disorder treatments, including applied behavior analysis, are essential and have the potential to change the lives of children with autism. Your Committees further find that no child with autism in Hawaii should be denied proper treatment due solely to the cost of the treatment.

Your Committees have amended this measure by:

- (1) Requiring coverage for autism spectrum disorder treatments under insurance policies, contracts, plans, or agreements that are issued or renewed in the State after July 1, 2014;
- (2) Exempting Medicaid plans from the mandatory coverage proposed by this measure;
- (3) Providing insurers with more flexibility to deliver notice of the requirements of this measure to policyholders;
- (4) Requiring the notice to policyholders to be transmitted within calendar year 2014;
- (5) Requiring the adjustment of the maximum benefit for inflation to begin after December 31, 2015;
- (6) Requiring the Insurance Commissioner to hold public meetings pursuant to section 91-3(a), Hawaii Revised Statutes, before adjusting the maximum benefit;
- (7) Requiring copayment, deductible, and coinsurance provisions of the coverage to be no less favorable than those of "substantially all" other medical services;
- (8) Allowing general discretion to all insurers to determine when to request a review of the treatment;
- (9) Excluding accident-only, specified disease, hospital indemnity, qualified health plans as defined in Section 1301 of the Patient Protection and Affordable Care Act, Medicare supplement, disability income, long-term care, or other limited benefit hospital insurance policies from the mandatory autism spectrum disorder coverage requirements;
- (10) Removing references to the term "pervasive developmental disorder" and to diagnostic criteria described in the Diagnostic and Statistical Manual of Mental Disorders;
- (11) Requiring coverage for applied behavior analysis to include the services of the personnel who work under the supervision of the board certified behavior analyst or the licensed psychologist overseeing the program;
- (12) Amending the definition of "applied behavior analysis";
- (13) Adding a definition for "board certified behavior analyst";
- (14) Inserting a severability clause;
- (15) Inserting an effective date of July 1, 2014; and
- (16) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that board certified behavior analyst qualifications include at least a Master's degree from an accredited institution in behavior analysis or natural science, education, human services, engineering, medicine, or a field related to behavior analysis and approved by the Behavior Analyst Certification Board.

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. 2054, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2054, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Nishihara).

Commerce and Consumer Protection  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Nishihara).

**SCRep. 2247 Health on S.B. No. 2827**

The purpose and intent of this measure is to:

- (1) Establish the Office of Health Care Transformation within the State Health Planning and Development Agency;
- (2) Change the name of the State Health Planning and Development Agency to the Hawaii Health Care Planning and Policy Authority; and
- (3) Establish the health care transformation special fund.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Health, and Hawaii Medical Service Association. Your Committee received testimony in opposition to this measure from the Hawaii Health Authority, Community Alliance for Mental Health, and two individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that the State's health care system needs a sustained transformation effort that addresses all facets of health care, including a renewed emphasis on quality and best practices, more care coordination, consumer engagement, a more diverse workforce, effective use of health-related data, and payment reforms. Your Committee further finds that creating a permanent state agency to facilitate health care transformation is needed to carry out the plan.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2827, 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 (Chun Oakland). Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2248 Judiciary and Labor on S.B. No. 2704**

The purpose and intent of this measure is to amend the prevailing wage law to allow for payment of overtime compensation on public works contracts to exceed time and a half.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Plumbers and Fitters UA Local Union 675, and Hawaii Operating Engineers Industry Stabilization Fund.

Your Committee finds that overtime compensation for public works is based on one and one-half times the laborer's or mechanic's basic hourly rate of pay plus the cost to an employer of furnishing a laborer or mechanic with fringe benefits. This measure provides flexibility to the payment of overtime to allow overtime compensation to exceed time and a half.

According to the Department of Labor and Industrial Relations, this measure only affects contractors with collective bargaining agreements to pay their employees at more than time and a half for all hours worked over an eight-hour day, weekends, and holidays, if specified in the agreement. A non-union contractor would be under no obligation to pay more than the time and a half. In response to the disparity that would be caused by this measure between the rates for union and non-union contractors, the Department proposed amendments to your Committee.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of Labor and Industrial Relations that establishes the rate for overtime compensation as the rate specified in a collective bargaining agreement if the basic hourly rate is based on such agreement, to create parity between a union contractor and non-union contractor; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2704, 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 (Slom).

**SCRep. 2249 Judiciary and Labor on S.B. No. 2368**

The purpose and intent of this measure is to codify a portion of the Model Protection of Charitable Assets Act to authorize the Attorney General to protect charitable assets, enforce the application of the charitable asset to prevent or remedy the misapplication, diversion, waste, or breach of duty in management of a charitable asset, and conduct investigations.

Your Committee received testimony in support of this measure from the Department of the Attorney General and Commission to Promote Uniform Legislation.

Your Committee finds that this measure codifies section 3 of the Model Protection of Charitable Assets Act (Act). One of the major goals of the Act is to articulate the Attorney General's duty to represent the public interest in the protection of charitable assets. The Act declares and clarifies the scope of the Attorney General's duty to protect charitable assets but does not limit the authority or powers that already exist. The Department of the Attorney General testified that most of the other sections of the Act are already contained in chapters 28 and 467B, Hawaii Revised Statutes. Therefore, this measure codifies only one section of the Act.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2368 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 (Shimabukuro).

**SCRep. 2250      Judiciary and Labor on S.B. No. 2813**

The purpose and intent of this measure is to allow the Employees' Retirement System to retain or dispose of real estate acquired by the Employees' Retirement System by foreclosure, in the enforcement of security, or in satisfaction of debts in the same manner as the System's other investments in interest in real property.

Your Committee received testimony in support of this measure from the Employees' Retirement System.

Your Committee finds that existing law requires the Board of Trustees of the Employees' Retirement System to sell real estate acquired by foreclosure, in the enforcement of security, or in satisfaction of debts within five years after acquisition unless extended by the Governor. The Employees' Retirement System testified that there are no restrictions on the holding period for the other real estate investments of the System. This measure repeals the holding period for real estate acquired through foreclosure, enforcement of security, or in satisfaction of debts to allow the Board to make long-range plans for the affected property that are necessary for the prudent management of the real estate portfolio.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2813 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 (Slom).

**SCRep. 2251      Judiciary and Labor on S.B. No. 2383**

The purpose and intent of this measure is to add the offense of unauthorized entry into motor vehicle in the first degree to the list of offenses for which repeat offenders are subject to mandatory minimum imprisonment sentencing.

Your Committee received testimony in support of this measure from seven individuals.

Your Committee finds that there are a number of neighborhoods that are experiencing an increase in motor vehicle break-ins. Although the offense of unauthorized entry into motor vehicle in the first degree is a class C felony, the penalty does not appear to be effective in serving as a deterrent to repeating this offense or other offenses. This measure will create a stronger deterrent by adding the offense of unauthorized entry into motor vehicle in the first degree to the law relating to mandatory minimum imprisonment sentencing for repeat offenders.

Your Committee has amended this measure by:

- (1) Moving the placement of sections 134-7, 134-8, 134-9, and 708-839.55, Hawaii Revised Statutes, to place the enumerated class C felonies in numerical order;
- (2) Deleting the reference to section 712-1203, Hawaii Revised Statutes, relating to promoting prostitution in the second degree from the list of enumerated class C felonies because this offense is a class B felony;
- (3) Deleting the reference to section 708-831, Hawaii Revised Statutes, relating to theft in the first degree as amended by Act 68, Session Laws of Hawaii 1981, from the list of enumerated class C felonies because this specific offense is no longer applicable under section 706-606.5(2)(e), Hawaii Revised Statutes, which applies the repeat offender mandatory minimum sentencing law when the instant felony offense was committed within five years after a prior felony conviction that was for a class C felony;
- (4) Making technical amendments to the titles of certain enumerated class C felonies to correct the titles or appropriately describe these offenses; and
- (5) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2383, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2383, 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 (Slom).

**SCRep. 2252      Judiciary and Labor on S.B. No. 2923**

The purpose and intent of this measure is to implement the recommendations of Auditor's Report No. 13-10 by:

- (1) Requiring the Director of Labor and Industrial Relations to update the workers' compensation medical fee schedule annually;

- (2) Authorizing the Director of Labor and Industrial Relations to establish a maximum allowable fee ceiling that is higher than one hundred ten percent of fees prescribed in the Medicare Resource Based Relative Value Scale (Medicare fee schedule) applicable for Hawaii;
- (3) Appropriating an unspecified amount for fiscal year 2014-2015 for two full-time equivalent positions for the Department of Labor and Industrial Relations;
- (4) Appropriating an unspecified amount for fiscal year 2014-2015 for the Department of Labor and Industrial Relations to contract for the performance of an analysis of the impact this measure will have on workers' compensation claimants' access to appropriate treatment; and
- (5) Establishing a sunset date of June 30, 2019.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Office of the Auditor; Hawaii Medical Association; International Longshore and Warehouse Union, Local 142; Work Injury Medical Association of Hawaii; Rainbow Family 808; and one individual. Testimony in opposition to this measure was submitted by the Hawaii Insurers Council, The Chamber of Commerce of Hawaii, and Property Casualty Insurers Association of America. Your Committee received comments on this measure from the Department of Human Resources Development; Department of Human Resources, City and County of Honolulu; and one individual.

Your Committee finds that the liability of an employer for medical care, services, and supplies is limited to charges up to one hundred ten percent of the federal Medicare fee schedule applicable to Hawaii. The Director of Labor and Industrial Relations uses the Medicare fee schedule to determine the charges for medical care and services in workers' compensation claims and is required to update the fee schedules at least once every three years. This fee adjustment has resulted in fewer and fewer physicians choosing to treat injured workers, especially on the neighbor islands.

Your Committee further finds that Act 97, Session Laws of Hawaii 2013, requested the Auditor to assist the Department of Labor and Industrial Relations to create a methodology to administratively adjust the State's workers' compensation medical fee schedule. The purpose of this methodology is to identify health care services for which fee adjustments are needed and provide injured employees with better access to treatment.

As a result, the Auditor made several recommendations under Auditor's Report No. 13-10 for the Department of Labor and Industrial Relations, including the adoption of a methodology that collects and analyzes transacted current procedural terminology code data and the establishment of a second maximum allowable fee ceiling that would only be applicable to Evaluation and Management (E/M) medical services that have been identified by stakeholders as applicable to workers' compensation cases. Furthermore, the Auditor proposed several actions for consideration by the Legislature, including empowering the Director of Labor and Industrial Relations to establish a maximum allowable fee ceiling for eligible E/M codes. This measure implements the recommendations made by the Auditor.

Your Committee notes that the Auditor clarified that the unspecified appropriation requested in this measure for the performance of an analysis of impact of this measure is intended to provide replacement funds if the funds previously appropriated under Act 97, Session Laws of Hawaii 2013, lapse prior to the effective date of this measure.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the language suggested by the Auditor in response to the comments from the Department of Human Resources of the City and County of Honolulu, which moves the language authorizing the Director of Labor and Industrial Relations to establish a maximum allowable fee ceiling that is higher than one hundred ten percent of fees prescribed in the Medicare fee schedule to a more appropriate part of section 386-21(c), Hawaii Revised Statutes;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2923, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2923, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 2253 (Joint) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on S.B. No. 3054**

The purpose and intent of this measure is to require the Board of Directors of the High Technology Development Corporation to create a public safety technology park.

Your Committees received testimony in support of this measure from Castle & Cooke Hawaii. Your Committees received comments on this measure from the Department of Budget and Finance, Hawaii Housing Finance and Development Corporation, and High Technology Development Corporation.

Your Committees find that Hurricanes Katrina and Sandy are major teaching moments for the public safety community. The storms proved that when dealing with a natural hazard, we should expect the unexpected. Hazards of both hurricanes included inland flooding, high winds, and high waves – hazards Hawaii has and can continue to expect with future storm systems.

Your Committees further find that the State currently has facilities that are aging and located in inundation zones. Natural hazards, such as tsunamis, pose threats to these hubs. Recognizing the importance of accessibility and cost, the State needs to set forth a plan to

relocate public safety services located within and nearby inundation zones to a centralized non-inundation zone area. Additionally, a central public safety facility will provide direct access to highways and be in proximity to hospital and military services and assistance.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3054, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3054, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (English).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 2254 Economic Development, Government Operations and Housing on S.B. No. 2079**

The purpose and intent of this measure is to:

- (1) Require film productions to comply with federal, state, and county laws and work with the Hawaii Film Office and any appropriate state or county agency if a film production takes place on state or county property, in order to be eligible for the motion pictures, digital media, and film production income tax credit; and
- (2) Prohibit unscripted or reality television programming from qualifying for the motion pictures, digital media, and film production income tax credit.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; and Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Department of Land and Natural Resources has dealt with film productions who have engaged in film production without proper permits, violating state laws and administrative rules. Promoting greater compliance with state laws and rules will serve to encourage closer collaboration between the Department of Land and Natural Resources, other regulatory agencies such as the State Film Office, and motion picture, digital media, and film production companies.

Your Committee has amended this measure by:

- (1) Deleting language that specifies certain types of laws with which the production must comply;
- (2) Inserting language that prohibits qualified production costs that have been financed with state funds from qualifying for motion pictures, digital media, and film production tax credits after July 1, 2014; and
- (3) Inserting language that prohibits soft-scripted television programming from qualifying for the motion pictures, digital media, and film production tax credit.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2079, 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 (Baker, Wakai).

**SCRep. 2255 Economic Development, Government Operations and Housing on S.B. No. 2277**

The purpose and intent of this measure is to:

- (1) Require a state agency that is required to report to the Legislature to provide written notice to the President of the Senate and Speaker of the House of Representatives in cases where it cannot meet the deadline;
- (2) Allow the Legislature to reduce a state agency's budget in cases where an appropriation was made to assist the state agency with the report and the agency fails to report to the Legislature on time or fails to provide proper notice that the agency cannot meet the reporting deadline; and
- (3) Require state agencies to provide the Legislature with a detailed list of any and all reports due one week prior to the reports' due date.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that state agencies are required to submit reports to the Legislature pursuant to relevant statutes, budget bill provisions, and other types of legislation. This measure holds agencies accountable for submitting these reports in a timely manner while assisting the Legislature in keeping track of reports, in part, by requiring prior notice if a state agency is unable to meet a reporting deadline.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2277 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 (Baker, Wakai).

**SCRep. 2256 Economic Development, Government Operations and Housing on S.B. No. 2751**

The purpose and intent of this measure is to exempt the operation of concessions for wireless and communication services and for advertising from the public concession bidding process.

Your Committee received testimony in support of this measure from the Department of Transportation and Airport Concessionaires Committee. Your Committee received testimony in opposition to this measure from ShakaNet, Inc.

Your Committee finds that the rapid development of technology has altered the way in which advertising and sales are rendered. Similarly, communications technology evolves quickly to accommodate changing needs for connectivity and compatibility with personal hardware. As such, flexible procedures are needed within government contracts to ensure efficiency and best economic results.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2751, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Baker, Wakai).

**SCRep. 2257 Economic Development, Government Operations and Housing on S.B. No. 2799**

The purpose and intent of this measure is to authorize the Hawaii Housing Finance and Development Corporation Board of Directors to set the salary of the Hawaii Housing Finance and Development Corporation Executive Director.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaii Housing Finance and Development Corporation.

Your Committee finds that the Hawaii Housing Finance and Development Corporation is the primary state agency charged with overseeing affordable housing finance and development in Hawaii. This is accomplished by working in partnership with residents, government agencies, financiers, and for-profit and non-profit developers.

Your Committee further finds that the Executive Director of the Hawaii Housing Finance and Development Corporation, who oversees several key affordable housing programs, including the low-income housing tax credit, rental housing trust fund, and Hula Mae single and multi-family revenue bond programs, has the lowest salary of all state housing finance agencies nationwide. Your Committee believes that allowing the Hawaii Housing Finance and Development Corporation Board of Directors to adequately compensate the Executive Director will enable the Hawaii Housing Finance and Development Corporation to attract and retain an individual that will lead agency staff toward fulfilling the mission of increasing and preserving the supply of workforce and affordable housing statewide.

Your Committee has amended this measure by inserting language to specify a salary cap of a blank amount for the Hawaii Housing Finance and Development Corporation Executive Director.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2799, 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 (Baker, Wakai).

**SCRep. 2258 Economic Development, Government Operations and Housing on S.B. No. 3082**

The purpose and intent of this measure is to establish an income tax credit for taxpayers who incur certain expenses for manufacturing products in Hawaii beginning after December 31, 2014.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Hawaii Strategic Development Corporation; Hawaii Food Industry Association; Cut Collective; Hawaii Food Manufacturers Association; Green Ohana Recycling; The Chamber of Commerce of Hawaii; ALLISON IZU, LLC; KYD, Inc.; Oceanit; and three individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that a diversified economy and a business-friendly tax climate are key factors in keeping unemployment low. Allowing current manufacturers in the State to grow their businesses can open the door for even more production in Hawaii and reduce Hawaii's reliance on imported goods, which currently account for over ninety percent of the State's products. Importing less and producing more can have wide reaching, positive impacts for manufacturers and consumers.

Your Committee has amended this measure by:



- (1) Inserting language to specify that qualified manufacturer costs eligible for the tax credit proposed by this measure do not include any costs claimed under another income tax credit;
- (2) Clarifying that the distribution and share of the qualified manufacturing costs tax credit shall be determined by Section 704 of the Internal Revenue Code;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3082, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3082, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, Wakai).

**SCRep. 2259 (Joint) Economic Development, Government Operations and Housing and Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2436**

The purpose and intent of this measure is to establish the Transit-oriented Development Advisory Committee to make recommendations about sustainable development projects close to transit.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Honolulu Authority for Rapid Transportation, The Pacific Resource Partnership, and General Contractors Association of Hawaii. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Department of Planning and Permitting. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that the careful coordination of transit and development is critical, so that each can optimally enhance the other. Transit-oriented development presents an opportunity not only for “a project at a station”, but for a full-fledged transit-centered community. A transit corridor that offers an advantageous mix of uses can be used to integrate a number of separate activity nodes, particularly when the various uses are close together, are easily accessible, and support each other.

Your Committees have amended this measure by:

- (1) Amending the language to allow the Transit-Oriented Development Advisory Committee to select the chair of the committee;
- (2) Inserting language to require the Transit-Oriented Development Advisory Committee to take into consideration the City and County of Honolulu Department of Planning and Permitting’s neighborhood transit-oriented development plans; and
- (3) 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 Economic Development, Government Operations and Housing, Transportation and International Affairs, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2436, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2436, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Baker, Chun Oakland, Wakai).

Transportation and International Affairs  
Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Gabbard, Solomon).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Green).

**SCRep. 2260 (Joint/Majority) Economic Development, Government Operations and Housing and Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2437**

The purpose and intent of this measure is to require all state agencies within one-half mile of proposed rail stations to enter into memoranda of understanding with each other and convene working groups that include representatives of the Honolulu Authority for Rapid Transportation to determine how the transit station will meet workforce housing demand and contribute to transit ridership and to identify emerging industry and industry growth opportunities.

Your Committees received testimony in support of this measure from the Stadium Authority, Honolulu Authority for Rapid Transportation, The Pacific Resource Partnership, General Contractors Association of Hawaii, and one individual. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Department of Planning and Permitting. Your Committees received comments on this measure from the Department of Accounting and General Services and Department of Land and Natural Resources.

Your Committees find that the State owns significant amounts of land around the proposed rail transit stations in Honolulu. It is important that these surrounding lands are analyzed for the impact the transit stations will have on the various communities, particularly in areas of workforce and housing.

Your Committees have amended this measure by:

- (1) Inserting language to clarify that any memoranda of understanding established between state agencies pursuant to this measure is not in lieu of any regulatory function; and
- (2) 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 Economic Development, Government Operations and Housing, Transportation and International Affairs, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2437, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2437, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 3. Noes, 1 (Slom). Excused, 3 (Baker, Chun Oakland, Wakai).

Transportation and International Affairs  
Ayes, 6. Noes, 1 (Slom). Excused, 2 (Gabbard, Solomon).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Green).

**SCRep. 2261 (Joint) Economic Development, Government Operations and Housing and Human Services on S.B. No. 2399**

The purpose and intent of this measure is to create a geriatric research and technology park under the High Technology Development Corporation.

Your Committees received testimony in support of this measure from the Community Alliance for Mental Health. Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation and High Technology Development Corporation.

Your Committees find that since 2000, Hawaii's elderly population, those aged sixty-five and older, grew slightly faster than the national growth rate. Since statehood, Hawaii's proportion of elderly to total population has increased three-fold, from roughly five percent in 1960 to fifteen percent in 2012. During this same period, the elderly segment of the nation's population only increased from nine percent to fourteen percent.

Your Committees further find that Wahiawa provides one of the top senior care service programs. Aged to Perfection is an adult day care center that provides elders with social activities, meals, and general supervision. This program draws attention from interns from top universities across the country, including the University of Hawaii, University of Southern California, and University of Arizona. As such, a geriatric research and technology park can be planned and designed in central Oahu in consultation with various entities, such as the Aging and Disability Resource Center, Aged to Perfection Hawaii, and Hawaii Housing Finance and Development Corporation, to comply with the most current Wahiawa community town and master plan and Wahiawa urban design plan. Establishing an economic hub for the geriatric industry may attract new businesses and technologies to provide jobs for central Oahu communities, as well as products and services for neighboring geriatric facilities and programs.

Your Committees have amended this measure by:

- (1) Inserting language to require that the planning and design of the geriatric research and technology park comply with community and town master plans and urban design plans; and
- (2) 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 Economic Development, Government Operations and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2399, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2399, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, English, Wakai).

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Taniguchi).

**SCRep. 2262 Economic Development, Government Operations and Housing on S.B. No. 2776**

The purpose and intent of this measure is to require the Board of Directors of the High Technology Development Corporation to establish a creative film and media park and designate certain properties to be included in the park.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i at West O'ahu; and one individual. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation and High Technology Development Corporation.

Your Committee finds that the State's production resources and educational programs, including the ongoing development of the University of Hawai'i at West O'ahu and the Searider Productions program at Waianae High School, provide a genuine opportunity to foster a film production industry that benefits the State and the community. The influx of film companies has also reinvigorated this sector of the State's economy. If a geographic area is dedicated for a film and media park to promote growth in the business of

creative media and film, high school graduates who studied in programs such as the Searider Productions program would have an opportunity to obtain employment in their field within the State.

Your Committee further finds that a creative film and media park would attract international investments in film and media production that would enable the creation of facilities and employment and the development of workforce housing.

Your Committee has amended this measure by:

- (1) Inserting language to specify that any planning and designs of the park shall be coordinated with the University of Hawai'i at West O'ahu; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2776, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2776, 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 (Thielen). Noes, none. Excused, 2 (Baker, Wakai).

**SCRep. 2263 (Joint/Majority) Economic Development, Government Operations and Housing and Water and Land on S.B. No. 3066**

The purpose and intent of this measure is to:

- (1) Establish and appropriate funds for the Public-Private Finance Initiative; and
- (2) Require the Public-Private Finance Initiative to initiate a pilot project.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; and one individual. Your Committees received testimony in opposition to this measure from the League of Women Voters of Hawaii. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that these are difficult economic times for all levels of government, as public service demands for an increasing population put pressure on revenue resources. The State faces the challenge of balancing its budget while addressing escalating infrastructure and service needs. Due to insufficient funding and postponed maintenance, these daily demands continue to increase. Creating a partnership agency to collaborate with all state agencies and private sector entities may help deliver services and facilities more effectively.

Your Committees further find that public-private partnerships give governmental entities an additional tool to deliver infrastructure through the ability to finance the design and construction of a building with a private developer. According to stakeholders with public-private partnership experience in other countries, one of the most remarkable differences with public-private partnership government buildings is that "the buildings always look new". This demonstrates a notable advantage to public-private partnerships for government property owners, where maintenance and operations are contractually mandated and integrated.

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 Economic Development, Government Operations and Housing and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3066, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3066, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing

Ayes, 4; Ayes with Reservations (Slom). Noes, 1 (Thielen). Excused, 2 (Baker, Wakai).

Water and Land

Ayes, 6; Ayes with Reservations (Ruderman, Slom). Noes, 1 (Thielen). Excused, 2 (Shimabukuro, Taniguchi).

**SCRep. 2264 Economic Development, Government Operations and Housing on S.B. No. 2510**

The purpose and intent of this measure is to establish a four-year irrigation water conservation best practices pilot program.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services; Department of Land and Natural Resources; Hawaii Chapter of the American Society of Landscape Architects; Hawai'i Farm Bureau Federation; Irrigation Hawaii, Ltd.; and one individual.

Your Committee finds that the pilot project will assist the State with water conservation by requiring the Department of Accounting and General Services to implement irrigation water conservation best practices, as established by the Landscape Industry Council of Hawaii, to improve the efficiency of landscape irrigation installments at state facilities through low cost, practical measures.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2510 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 (Baker, Wakai).

**SCRep. 2265 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2938**

The purpose and intent of this measure is to create a more efficient firearms registration process for firearm owners and registration officials by requiring each county to establish an online firearms registration process, to be implemented by July 1, 2015.

Your Committee received testimony in support of this measure from the Hawaii Rifle Association; Babooze Bowstrings; and twenty-eight individuals. Your Committee received testimony in opposition to this measure from the Honolulu Police Department; County of Hawaii Police Department; and seven individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that the current firearms registration process is inefficient, requiring several visits to county police stations, wasting time and money. The establishment of an online firearms registration process will streamline the registration process. However, your Committee learned through testimony that this measure would create the need for a separate system and interface, as each county has its own individual system; require a stand-alone system for the Honolulu Police Department; and require funding.

Therefore, your Committee has amended this measure by:

- (1) Eliminating the requirement that each county establish an online firearms registration process;
- (2) Adding language to require the Department of the Attorney General, in collaboration with the county police departments, to establish a statewide online firearms registration process;
- (3) Adding language requiring the Department of the Attorney General and the county police departments to work together to create and implement a statewide online firearms registration process by July 1, 2015;
- (4) Appropriating funds to establish and implement a statewide online firearms registration system, to be expended by the Department of the Attorney General;
- (5) Changing the effective date to July 1, 2014; 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2938, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2938, 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 (Baker).

**SCRep. 2266 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2882**

The purpose and intent of this measure is to update chapter 329, Hawaii Revised Statutes, to make it consistent with amendments to federal law on controlled substances, as required under chapter 329-11, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Public Safety and the Honolulu Police Department.

Your Committee finds that this measure is necessary to make Hawaii's Uniform Controlled Substance Act, chapter 329, Hawaii Revised Statutes, consistent with changes to federal law.

Your Committee has amended this measure by:

- (1) Inserting language to amend section 329-18, Hawaii Revised Statutes, by adding a new federally scheduled controlled substance to make that section consistent with amendments to federal law on controlled substances; and
- (2) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2882, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2882, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2267 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2644**

The purpose and intent of this measure is to protect the public health and safety of Puna residents through the appropriation of funds for a grant-in-aid to the Hawaii County Fire Department to add an emergency medical services unit equipped with advanced life support.

Your Committee received testimony in support of this measure from the Hawaii Fire Department of the County of Hawaii; United Public Workers AFSCME, Local 646, AFL-CIO; Kalani Oceanside Retreat; Puna Community Medical Center; Hawaii Sustainable Community Alliance; and fourteen individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that access to primary health care in Puna is challenging for the community, since many primary care services are as much as thirty miles away for many residents. As a result, many of Hawaii County Fire Department's medic units are occupied by or diverted to cover the Puna district, at times leaving Hilo without adequate emergency medical services. Over recent years, there has been an increase in 911 calls from the Puna district without a commensurate increase in emergency medical services

for the district. This measure appropriates funds for a grant-in-aid to the Hawaii County Fire Department to add an advanced life support ambulance/medic unit to serve the Puna district.

Your Committee has amended this measure by:

- (1) Clarifying that the funds appropriated are for an additional advanced life support ambulance/medic unit to serve the Puna district; and
- (2) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2644, 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 (Green, Slom).

**SCRep. 2268 (Joint) Public Safety, Intergovernmental and Military Affairs and Water and Land on S.B. No. 2590**

The purpose and intent of this measure is to prohibit state and county employees who are authorized to carry firearms from carrying a firearm while consuming alcohol or within an unspecified number of hours of consuming alcohol or after ingesting prescription medications that would impair judgment or physical response of the employees while carrying a firearm.

Your Committees received testimony in support of this measure from the Department of Public Safety; Department of Land and Natural Resources; and Hawaii Rifle Association. Your Committees received testimony in opposition to this measure from the Police Chiefs of Hawaii Association; Maui Police Department; and one individual. Your Committees received comments on this measure from the State of Hawaii Organization of Police Officers and one individual.

Your Committees find that the consumption of alcohol or certain prescription medications can impair the judgment and physical response of state or county employees who are authorized to carry a firearm, thereby decreasing public safety. However, there are occasions where state or county employees may be compelled to consume small amounts of alcohol or drugs to develop intelligence or evidence.

Your Committees have amended this measure accordingly by:

- (1) Adding language to create an exemption for state and county employees who are taking part in an official criminal surveillance or undercover operation; and
- (2) 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 Public Safety, Intergovernmental and Military Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2590, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2590, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Green).

Water and Land  
Ayes, 6; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Dela Cruz, Shimabukuro, Taniguchi).

**SCRep. 2269 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2588**

The purpose and intent of this measure is to:

- (1) Create the offense of unsworn falsification to a law enforcement officer; and
- (2) Establish a penalty of not less than a misdemeanor.

Your Committee received testimony in support of this measure from the Honolulu Police Department and the Maui Police Department. Your Committee received testimony in opposition to this measure from Babooze Bowstrings and one individual.

Your Committee finds that when a person deliberately provides a false statement or document to a law enforcement officer during an investigation, these statements or documents cause delays in an investigation by diverting attention and resources from actual leads in the investigation to an individual having nothing to do with the crime, allowing the suspect to flee. Hawaii's penal code does not adequately address these types of situations. This measure will ensure that investigations are completed without undue delay due to intentionally false statements or documents intended to hinder the investigation.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2588, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Baker).

**SCRep. 2270 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2526**

The purpose and intent of this measure is to require the identification of a central location for a permanent headquarters for the Sheriff Division by December 31, 2014.

Your Committee received testimony in support of this measure from the Department of Public Safety and one individual.

Your Committee finds that the Sheriff Division has never had a permanent or centrally located headquarters. A central, permanent headquarters for the Sheriff Division will enable the state sheriffs to carry out their duties to the best of their abilities when serving the health, safety, and welfare of all people in this State.

Your Committee has amended this measure by:

- (1) Changing the effective date to December 31, 2015, to allow for the selection of a central location for a Sheriff Division headquarters through a comprehensive examination of existing available structures, staff space requirements, and operational needs; and
- (2) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2526, 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 (Baker).

**SCRep. 2271 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2380**

The purpose and intent of this measure is to increase the number of qualified registered voters in Hawaii by requiring all applicants for a new or renewed driver's license, provisional license, instructional permit, or civil identification card, who are eligible to vote, to automatically be registered to vote.

Your Committee received testimony in support of this measure from the Office of Elections; Office of the County Clerk Elections Division, County of Kauai; Office of the County Clerk, County of Maui; Common Cause Hawaii; and two individuals. Your Committee received comments on this measure from the Department of the Attorney General; Department of Customer Services of the City and County of Honolulu; and League of Women Voters.

Your Committee finds a need to establish a voter registration process that encourages qualified individuals to make the decision to register to vote. The National Voter Registration Act requires all motor vehicle driver's license applications to serve as applications of voter registration, unless the applicant fails to sign the voter registration application. Therefore, all driver's license and civil identification card applications incorporate an affidavit on application for voter registration. This measure will increase voter registration by streamlining the administrative processing of voter registration applications, while complying with the National Voter Registration Act.

Your Committee has amended this measure by deleting its contents and inserting language to:

- (1) Require an affidavit on application for voter registration to be part of a civil identification card application and driver's license application;
- (2) Require a civil identification card or driver's license applicant to fill out the affidavit on application for voter registration unless the applicant clearly indicates that the applicant does not wish to register to vote;
- (3) Require the Examiner of Drivers to process driver's license and civil identification card applications only after the applicant either clearly indicates on the affidavit on application for voter registration that the applicant does not wish to register to vote or completes the affidavit;
- (4) Require the Examiner of Drivers to electronically transmit voter registration information to the county clerks within five days of the submittal of the affidavit;
- (5) Specify administrative requirements for the processing of the voter registration information;
- (6) Appropriate funds to the Department of Transportation to make the necessary changes to the Department's system and the statewide voter registration system to provide for the electronic transmission, receipt, and processing of voter registration information; and
- (7) Insert an effective date of July 1, 2014; provided that the opt-out voter registration provisions take effect on January 1, 2016.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2380, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2380, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2272 (Joint) Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs on S.B. No. 2301**

The purpose and intent of this measure is to increase the health and safety of the community and the State's first responders by:

- (1) Requiring shippers to notify the fire chief as to where fireworks shipments imported into the State or between counties are to be distributed;
- (2) Defining the term "redistribution" to clarify shipment notification requirements; and
- (3) Clarifying that labels on certain fireworks shall be at least nine square inches.

Your Committees received testimony in support of this measure from the State Fire Council, Honolulu Police Department, Hawaii County Fire Department, Maui County Fire Department, Kauai Fire Department, and one individual.

Your Committees find that transporting fireworks to, from, and within the State requires the use of multiple methods of interstate and intrastate transportation. It is essential to the health and safety of the community and the State's first responders that the importation of fireworks shipments be thoroughly accounted for and reported. Under the existing law, there are no notification requirements for those transporting fireworks. This measure is necessary to clarify shippers' responsibilities and notification requirements.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2301 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Gabbard).

**SCRep. 2273 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2147**

The purpose and intent of this measure is to create and implement the Silver Alert program to alert the public of any missing senior citizen with an impaired mental condition, to be operated concurrently with the MAILE/AMBER Alert program.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities and four individuals. Your Committee received testimony in opposition to this measure from the Department of Defense State Civil Defense Division and the Honolulu Police Department. Your Committee received comments on this measure from one individual.

Your Committee finds that there are senior citizens who are very vulnerable when they become disoriented and wander from their surroundings due to dementia, Alzheimer's disease, traumatic brain injury, or some other condition. The MAILE/AMBER Alert program has been effective in alerting the public of a missing child, and a Silver Alert program will similarly provide an operative means of alerting the public of a missing senior citizen.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2020, to encourage further discussion; and
- (2) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2147, 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. 2274 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2050**

The purpose and intent of this measure is to provide that owners of previously registered firearms in this State shall not be subject to the existing permit waiting period when seeking a permit for the acquisition of another firearm.

Your Committee received testimony in support of this measure from the Hawaii Rifle Association; National Rifle Association; Babooze Bowstrings; and forty-four individuals. Your Committee received testimony in opposition to this measure from the Honolulu Fire Department. Your Committee received comments on this measure from one individual.

Your Committee finds that subjecting owners of previously registered firearms to a waiting period when seeking a permit to obtain another firearm is unnecessary.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2020, to encourage further discussion; and
- (2) Making a technical amendment to correct a formatting error.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2050, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Baker). Noes, none. Excused, none.

**SCRep. 2275 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2049**

The purpose and intent of this measure is to:

- (1) Require the owner of a dog that attacks certain animals or damages property while on the property without consent to be liable for injuries or destruction of the animals and the property; and
- (2) Exempt owners of certain animals that cause injuries or destruction of property while defending themselves against an attack by another dog.

Your Committee received testimony in support of this measure from the Pacific Pet Alliance and one individual. Your Committee received testimony in opposition to this measure from the Hawaiian Humane Society. Your Committee received comments on this measure from the American Kennel Club.

Your Committee finds that dog owners need to be responsible for their dogs' conduct. This measure will require the owner of an attacking dog to be liable for unprovoked injuries or destruction caused by the dog, including the injury or destruction of certain animals, on public or private property, without the consent of the owner.

Your Committee has amended this measure by:

- (1) Adding language that limits the applicability of section 142-74, Hawaii Revised Statutes, to dogs that attack without provocation; and
- (2) Clarifying that the exemption from section 142-74, Hawaii Revised Statutes, applies to owners of certain animals that cause injuries or destruction of property while defending themselves against an attack by another animal.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2049, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2049, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2276 (Joint) Energy and Environment and Water and Land on S.B. No. 2343**

The purpose and intent of this measure is to appropriate funds to the Hawaii Invasive Species Council for invasive species prevention, control, outreach, research, and planning.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, Office of Planning, Maui Invasive Species Committee, Hawai'i Green Growth, Nature Conservancy, Hawaii Farm Bureau, Enterprise Honolulu, Sierra Club of Hawaii, and one individual.

Your Committees find that the invasion of Hawaii by insects, disease-bearing organisms, snakes, weeds, and other pests is the single greatest threat to Hawaii's economy and natural environment and to the health and lifestyle of Hawaii's people. Immediate action is needed to mitigate the threats and impacts of invasive species.

Your Committees further find that pests already cause millions of dollars in crop losses, the extinction of native species, the destruction of native forests, and the spread of disease, but many more harmful pests now threaten to invade Hawaii and wreak further damage. For example, a 2010 study by Shwiff, et al., found that if brown tree snakes were introduced to Hawaii, the cost to the State in lost tourism, health costs, and damage to power infrastructure could total \$2,140,000,000 per year. Stopping the influx of new pests and containing their spread is essential to Hawaii's current and future well-being.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2343 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.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

Water and Land  
Ayes, 7. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 2277 Transportation and International Affairs on S.B. No. 2728**

The purpose and intent of this measure is to clarify that the Legislature has the authority to determine a public trail.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Land and Natural Resources, Land Use Commission, Hawaii Trail and Mountain Club, and Monsanto. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs, Kaua'i County Council, Office of the County Clerk, Public Access Trails Hawaii, Kahea, Ho'okipa Network-Kaua'i, and sixty-three individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that The Highways Act of 1892 determined by statute which public rights-of-ways and trails are public highways. Furthermore, chapter 198D, Hawaii Revised Statutes, relating to the Hawaii Statewide Trail and Access System, establishes



the statutory framework within which appropriate access to trails is to be determined. It is the intent of your Committee to clarify the historical background and existing law on the process for determining appropriate trail use and management. It is not the intent of your Committee to interfere with or to change the existing statutory procedures under chapter 198D, Hawaii Revised Statutes, or to in any way diminish the authority of the Department of Land and Natural Resources in this regard. However, your Committee believes that this measure sheds light on disputes arising from public access to trails.

Your Committee has amended this measure by clarifying that the designation of a public trail shall be as provided by law.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2728, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Gabbard, Kahele). Noes, none. Excused, 3 (Espero, Kouchi, Solomon).

**SCRep. 2278 (Joint) Health and Human Services on S.B. No. 2853**

The purpose and intent of this measure is to:

- (1) Prohibit legal guardians, trustees, and relatives from continuing to care for individuals with intellectual or developmental disabilities in a certified foster home;
- (2) Define “related” as related by blood or marriage or having a legal relationship;
- (3) Permit minors with intellectual or developmental disabilities to age in place under certain conditions; and
- (4) Clarify that certified adult foster homes with dual certification shall not exceed a total of three individuals with intellectual or developmental disabilities.

Your Committees received testimony in support of this measure from the Department of Health and State Council on Developmental Disabilities. Your Committees received testimony in opposition to this measure from the Hawaii Disability Rights Center.

Your Committees find that this measure is necessary to clarify the requirements of certification of adult foster homes for individuals with intellectual or developmental disabilities. Your Committees further find that adding a definition of “related” provides much needed clarity for existing and potential certified caregivers in order to understand the requirements for certification. This measure permits a foster boarding home for minors with intellectual or developmental disabilities to be dually certified, which will enable individuals to age in place and remain in their home.

Your Committees have amended this measure by:

- (1) Inserting language to grandfather in all certified adult foster homes dually certified as foster boarding homes and in existence as of the effective date of this measure;
- (2) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (3) 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 Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2853, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2853, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Human Services

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2279 (Joint) Health and Human Services on S.B. No. 2056**

The purpose and intent of this measure is to:

- (1) Amend Act 217, Session Laws of Hawaii 2012, as amended by Act 141, Session Laws of Hawaii 2013, to continue the hospital sustainability program by extending the sunset date of the Act;
- (2) Update the referral dates relating to the hospital sustainability program;
- (3) Revise the funding amount for the hospital sustainability program for fiscal year 2014-2015; and
- (4) Exempt the hospital sustainability program special fund from central services expenses assessed under section 36-27, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, The Queen’s Health Systems, The Chamber of Commerce of Hawaii, and Hawaii Pacific Health. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that health care provider reimbursements are declining at the federal and state levels, making it necessary for health care providers to find innovative ways to generate revenues to offset the decline in reimbursements. Your Committees further find that since the sustainability fee program was put into place, public hospitals have been able to fully utilize their certified public

expenditures to the maximum extent possible for their exclusive benefit as a means of continuing financing for their operating deficits. This measure ensures that any monies received in fees are only used to increase the sustainability of hospitals in Hawaii and to benefit Medicaid program recipients.

Your Committees have amended this measure by amending session law language to ensure that all necessary provisions related to the hospital sustainability program special fund, including provisions related to monies deposited into the fund, are extended to December 31, 2015.

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. 2056, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2056, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Human Services

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2280 Higher Education on S.B. No. 2077**

The purpose and intent of this measure is to appropriate funds for renovation and equipment for a value-added food production and business incubation facility located in the former campus cafeteria kitchen of the University of Hawaii Maui College, known as the Maui Food Innovation Center.

Your Committee received testimony in support of this measure from the University of Hawaii Community Colleges; University of Hawaii Maui College; Hawaii Strategic Development Corporation; Hawaii Technology Development Corporation; Hawaii Food Manufacturers Association; Food Spectrum, LLC; Whole Foods Market; and two individuals.

Your Committee finds that the renovation and equipping of the Maui Food Innovation Center would improve the economic stability and capacity of farmers, ranchers, and fishermen; agricultural cooperatives; food entrepreneurs; existing small and midsized food companies; retail and food service establishments; Native Hawaiian cultural agriculture; and community food programs by providing access to research and development capabilities, food business planning, market research, quality assurance and food safety, product and process development, and other services not currently available in Maui County.

Your Committee further finds that the Maui Food Innovation Center will also build on the Maui Culinary Academy program at the University of Hawaii Maui College by providing faculty and students with opportunities for applied research, experiential learning, and workforce development and training within an expanding and evolving food industry.

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. 2077 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 (Tokuda, Slom).

**SCRep. 2281 Higher Education on S.B. No. 2287**

The purpose and intent of this measure is to:

- (1) Repeal the requirement that a private college or university show that it maintains profitability as a means of demonstrating financial integrity to the Department of Commerce and Consumer Affairs at the time of its application for authorization; and
- (2) Repeal section 304A-3153, Hawaii Revised Statutes, relating to procedures for complaints to the University of Hawaii concerning institutions of higher learning in the State.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the University of Hawai'i System.

Your Committee finds that the Legislature passed Act 180, Session Laws of Hawaii 2013, identifying the Department of Commerce and Consumer Affairs as the state entity that would perform the regulatory functions of authorizing post-secondary institutions and handling complaints against such institutions. This measure will add greater clarity to what is required of private colleges and universities with regard to demonstrating financial integrity when applying for authorization and will minimize redundancy in the 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 S.B. No. 2287 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, 2 (Tokuda, Slom).

**SCRep. 2282 Higher Education on S.B. No. 2489**

The purpose and intent of this measure is to:

- (1) Amend the composition of the Hawaii State Center for Nursing Advisory Board (Advisory Board) by decreasing the number of voting members on the Advisory Board to nine;

- (2) Amend the membership of the Advisory Board to better facilitate the Hawaii State Center for Nursing's mission;
- (3) Clarify term limits and appointments of members to the Advisory Board; and
- (4) Amend certain powers and duties of the Advisory Board.

Your Committee received testimony in support of this measure from the Hawaii State Center for Nursing; Prime Care Services Hawaii, Incorporated; and ten individuals. Your Committee received testimony in opposition to this measure from three individuals.

Your Committee finds that as the nursing profession transforms to meet a changing health care landscape, the ongoing process of developing a strategic plan requires the Hawaii State Center for Nursing to have an active, engaged Advisory Board with members capable of addressing workforce issues in a timely manner.

Your Committee further finds that the six labor organization positions on the Advisory Board have not been filled for many years. This has impeded the Advisory Board's ability to attain quorum for its monthly meetings and access relevant expertise. This situation has also prevented prospective candidates from sitting on the Advisory Board and sharing expertise in relevant areas such as nursing practice, research, education, administration, and financing care.

This measure will amend the composition of the Advisory Board to align itself more closely with other national nursing workforce centers and encourage collaboration of persons with the technical expertise, knowledge, and experience needed to assist the Hawaii State Center for Nursing fulfill its mission.

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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2489, 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 (Tokuda, Slom).

**SCRep. 2283 Higher Education on S.B. No. 3092**

The purpose and intent of this measure is to appropriate funds for a program coordinator and technical support staff member to complete the necessary planning required for an international flight training center and associated aeronautical training programs at the University of Hawaii at Hilo and Hawaii Community College.

Your Committee received testimony in support of this measure from the University of Hawai'i at Hilo, Hawai'i Community College, Office of the Mayor of the County of Hawai'i, County of Hawai'i Department of Research and Development, and eight individuals.

Your Committee finds that pursuant to Act 272, Session Laws of Hawaii 2013 (Act 272), \$100,000 was appropriated for fiscal year 2013-2014 for a program coordinator and technical support staff member for the potential establishment of an international flight training center and associated aeronautical training programs at the University of Hawaii at Hilo and Hawaii Community College.

The program coordinator and technical support staff member were tasked with determining the demand and financial viability of the proposed aeronautical programs. In addition, they were tasked with conducting the necessary planning and studies, as well as completing the draft authorization to plan, for the Chancellors of the University of Hawaii at Hilo and Hawaii Community College for the proposed aeronautical training programs.

Your Committee further finds that the draft authorization to plan has been completed and is ready for submittal to the University of Hawaii System Council of Chief Academic Officers, as well as the Board of Regents of the University of Hawaii.

This measure will provide continued support for the establishment of an international flight training center and associated aeronautical training programs at the University of Hawaii at Hilo and Hawaii Community College.

Your Committee has amended this measure by making a technical, nonsubstantive amendment 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 is in accord with the intent and purpose of S.B. No. 3092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3092, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Kidani). Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 2284 Higher Education on S.B. No. 2906**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii to pay student employees at new or expanded worksites on each campus.

Your Committee received testimony in support of this measure from the University of Hawai'i System, Associated Students of the University of Hawai'i at Manoa, and eight individuals.

Your Committee finds that hiring students at universities benefits both the students and the university. Hired students have the ability to earn income as they are learning from their jobs either on campus or off campus. Many campus programs are highly dependent on entry-level, as well as experienced and specialized, flexible staff. At the University of Hawaii, approximately four thousand students work an average of twelve hours per week while enrolled as full-time students. These student employees depend on

part-time work to help pay for tuition fees and educational and living expenses. This measure will appropriate funds to the University of Hawaii to pay student employees at new or expanded worksites on each campus.

Your Committee has amended this measure by inserting an appropriation amount of \$500,000.

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. 2906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2906, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 2285 Higher Education on S.B. No. 2550**

The purpose and intent of this measure is to create a five-year pilot project at the Daniel K. Inouye College of Pharmacy at the University of Hawaii at Hilo to ensure the financial self-sufficiency of the College.

Your Committee received testimony in support of this measure from the Hawai'i Island Chamber of Commerce and five individuals. Your Committee received testimony in opposition to the measure from the Department of the Attorney General. Your Committee received comments on this measure from the University of Hawai'i System, Department of Budget and Finance, Daniel K. Inouye College of Pharmacy at the University of Hawaii at Hilo, Friends of the Daniel K. Inouye College of Pharmacy, and two individuals.

Your Committee finds that the Daniel K. Inouye College of Pharmacy at the University of Hawaii at Hilo (College of Pharmacy) should operate with financial and managerial autonomy from the University of Hawaii System. This measure allows for this autonomy by creating a five-year pilot program that requires a determination in 2018 of whether the College of Pharmacy should be continued based on whether it is able to fiscally sustain its operations.

Your Committee has amended this measure by:

- (1) Removing language creating the Board of Governors of the College of Pharmacy;
- (2) Adding language to clarify the University of Hawaii at Hilo College of Pharmacy special fund reporting requirements and allowing the University of Hawaii to report once a year rather than semi-annually;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 is in accord with the intent and purpose of S.B. No. 2550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2550, 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 (Keith-Agaran, Kidani). Noes, none. Excused, 3 (Ige, Tokuda, Slom).

**SCRep. 2286 Higher Education on S.B. No. 2551**

The purpose and intent of this measure is to repeal the University of Hawaii tuition and fees special fund on July 1, 2014, and transfer the remaining unencumbered balance into the general fund.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the University of Hawai'i System, Associated Students of the University of Hawai'i at Manoa, and fifteen individuals. Your Committee received comments on this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the University of Hawaii currently uses monies in the tuition and fees special fund for capital improvement projects that do not generate revenue. Your Committee finds that this is an inappropriate use of these funds and that this measure reflects your Committee's intent to restrict the use of these funds for this purpose.

Your Committee has amended this measure by:

- (1) Delaying the repeal of the University of Hawaii tuition and fees special fund and the transfer of the remaining unencumbered balance into the general fund until July 1, 2017, and June 30, 2017, respectively;
- (2) Inserting language that takes effect on July 1, 2014, to prohibit the University of Hawaii from using monies in the tuition and fees special fund for purposes related to university projects, university systems, or networks or any combination thereof, constructed or maintained through revenue bonds issued by the University of Hawaii; 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 is in accord with the intent and purpose of S.B. No. 2551, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2551, 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 (Keith-Agaran, Kidani). Noes, none. Excused, 3 (Ige, Tokuda, Slom).

**SCRep. 2287 Higher Education on S.B. No. 2552**

The purpose and intent of this measure is to repeal the University of Hawaii's program budget execution exemptions.

Your Committee received testimony in opposition to this measure from the University of Hawai'i System. Your Committee received comments on this measure from the Department of the Attorney General and the Department of Budget and Finance.

Your Committee finds that laws concerning the budgetary process of state funds are laws of statewide concern.

Your Committee has amended this measure by:

- (1) Adding language to clarify that laws relating to the budgetary process involving state funds are laws of statewide concern; and
- (2) 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 is in accord with the intent and purpose of S.B. No. 2552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2552, 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 (Keith-Agaran). Noes, none. Excused, 3 (Ige, Tokuda, Slom).

**SCRep. 2288 (Majority) Higher Education on S.B. No. 2555**

The purpose and intent of this measure is to repeal the University of Hawaii's authority to issue revenue bonds.

Your Committee received testimony in opposition to this measure from the University of Hawai'i System. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the University of Hawaii currently uses monies in the tuition and fees special fund as a revenue source for capital improvement projects that do not generate their own revenues. Your Committee disagrees with the use of these monies for that purpose.

Your Committee has amended this measure by:

- (1) Removing language repealing the University of Hawaii's authority to issue revenue bonds;
- (2) Inserting language prohibiting the University of Hawaii from using monies in the tuition and fees special fund for purposes related to university projects, university systems, or networks or any combination thereof, constructed or maintained through revenue bonds issued by the University of Hawaii; 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 is in accord with the intent and purpose of S.B. No. 2555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2555, 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 (Keith-Agaran). Noes, 1 (Kidani). Excused, 3 (Ige, Tokuda, Slom).

**SCRep. 2289 (Joint) Higher Education and Water and Land on S.B. No. 2907**

The purpose and intent of this measure is to transfer certain undeveloped land previously planned for use for the University of Hawaii West Oahu from the University of Hawaii to the Department of Land and Natural Resources.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and one individual. Your Committees received testimony in opposition to this measure from the University of Hawaii.

Your Committees find that in 1999, 991 acres of land were transferred by the State to the University of Hawaii for its planned West Oahu campus. As these parcels of land have not been developed and the University of Hawaii does not have a plan in place to develop these parcels, your Committees believe ownership should be transferred to the Department of Land and Natural Resources.

Your Committees have amended this measure by:

- (1) Inserting the tax map key numbers to properly identify the specific parcels to be transferred from the University of Hawaii to the Department of Land and Natural Resources;
- (2) Clarifying that the fee title ownership of the specific parcels, rather than the custody and control, shall be transferred from the University of Hawaii to the Department of Land and Natural Resources; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2907, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2907, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4; Ayes with Reservations (Kidani). Noes, none. Excused, 3 (Ige, Tokuda, Slom).

Water and Land

Ayes, 5; Ayes with Reservations (Shimabukuro). Noes, none. Excused, 4 (Dela Cruz, Ruderman, Thielen, Slom).

**SCRep. 2290 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2391**

The purpose and intent of this measure is to establish a two-year pilot project to resolve user conflicts on public recreational lands by convening one working group within each county to identify and implement management strategies through the execution of a written agreement between interested parties, and to make an appropriation for the pilot project.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committees find that more than eight million people visited Hawaii in 2013, and the Hawaii Tourism Authority has projected that there will be nearly nine million visitors in 2014. The United Nations World Tourism Organization further projects a fifty percent increase in global tourism by 2020. Moreover, a more active visitor population combined with the use of social media by visitors and the tourism industry will likely result in greater numbers of people exploring a wider variety of the State's public lands for recreational purposes.

Your Committees believe that as Hawaii's population and visitor base have grown, there have been more conflicts over public recreational resources. The informal agreements that were used in the past to resolve these conflicts are no longer working. In many places across our islands, these conflicts have existed for years without resolution. The shared jurisdiction over these public lands often stymies solutions. Conflicts in a small coastal area may span a county park, state unencumbered beach land, aquatic resources, a historic site, and a county road accessed off a state highway. No single agency, or division of an agency, is able to resolve such conflicts on its own.

A working group would facilitate the identification of recreational land management solutions that are better suited for the unique challenges faced in the various sites that are currently the subject of user conflicts.

Your Committees have amended this measure by:

- (1) Scaling down the pilot project to one project, through one working group, on the island of Oahu only;
- (2) Providing that the two at-large community representatives of the working group be invited by the Governor;
- (3) Deleting the appropriation; and
- (4) 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 Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2391, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2391, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Shimabukuro, Taniguchi).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 2291 (Joint) Water and Land and Judiciary and Labor on S.B. No. 2876**

The purpose and intent 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 dam and reservoir owners.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Hawai'i Farm Bureau, Land Use Research Foundation, Department of Budget and Finance, and Alexander & Baldwin, Inc. Your Committees received comments on this measure from Hamakua County Farm Bureau.

Your Committees find that the implementation of the Dam and Reservoir Safety Act of 2007, codified as chapter 179D, part II, Hawaii Revised Statutes, mandates dam and reservoir owners to bring their dams and reservoirs into compliance. Over eighty percent of the dams in Hawaii were constructed before 1940 to support the sugarcane plantations. Due to the age of these facilities and deferred maintenance due to demise of the sugar industry, without needed safety improvements, many dams could pose risks to life and property when they fail. Depending on the extent of the required improvements, some dam and reservoir owners may not have the resources to fund these improvements.

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 Water and Land and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2876, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2876, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Galuteria, Taniguchi).

Judiciary and Labor

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 2292 (Joint) Water and Land and Judiciary and Labor on S.B. No. 3097**

The purpose and intent of this measure is to allow a prevailing private party plaintiff seeking injunctive relief against a defendant for any violation of the historic preservation laws or administrative rules adopted pursuant to those laws to recover reasonable attorney's fees and litigation costs from the defendant, including the state and counties.

Your Committees received testimony in support of this measure from the Historic Hawai'i Foundation. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that in cases where the State does not enforce historic preservation laws, it falls to private parties to seek protection for historic and cultural resources and redress for any injury inflicted on them. The appropriate method to address these violations and injuries is through the courts; however, bringing a claim, restraining order, or petition for injunctive relief can be very costly. Attorney's fees and litigation costs serve as a barrier to access the courts and so become a hindrance in seeking justice. This measure addresses this issue by providing a mechanism by which successful plaintiffs may recover fees and costs when seeking to ensure that historic preservation laws are followed.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Water and Land and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3097, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3097, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Galuteria, Taniguchi).

Judiciary and Labor

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 2293 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2116**

The purpose and intent of this measure is to make permanent the liability exception for county lifeguards for damages caused by dangerous natural conditions when certain warning signs are posted.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of the Attorney General, Department of the Corporation Counsel of the City and County of Honolulu, Department of Emergency Services of the City and County of Honolulu, Mayor of the County of Maui, Mayor of the County of Kauai, Mayor of the County of Hawai'i, Kaua'i Fire Department, Hawai'i Fire Department, County of Maui Department of Fire and Public Safety, Hawaii State Fire Council, Honolulu Fire Department, Hawaiian Lifeguard Association, Kaua'i Chamber of Commerce, Kauai Lifeguard Association, Hawaii Government Employees Association, and eight individuals. Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committees find that since the passage of legislation in the form of Act 82, Sessions Laws of Hawaii 2003 (Act 82), and in the ensuing eleven years, the Department of Land and Natural Resources has initiated a comprehensive sign program that is deployed statewide in public recreational areas associated with parks and wilderness trails. These actions have resulted in a variety of critical outcomes and now institutionalized management practices. The public has become accustomed to seeing the uniform, standard signs warning of potential exposure to hazardous natural conditions at managed trailheads and park entrances, in addition to at the actual point of exposure.

This sign program strikes the balance between the government's duty to warn and the public's responsibility to heed that warning and make an informed choice, before engaging in recreational activity.

Your Committees have amended this measure by:

- (1) On the recommendation of the Attorney General, deleting its contents and inserting the contents of S.B. No. 1007, S.D. 2, Proposed H.D. 1 (Regular Session of 2014), which makes Act 82 permanent and additionally extends the conclusive presumption of signage as legally adequate warning of dangerous non-natural conditions on unimproved public lands;
- (2) Changing the effective date to June 29, 2014; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2116, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2116, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Shimabukuro, Taniguchi).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 2294 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2108**

The purpose and intent of this measure is to make permanent the civil liability protection for government agencies regarding their duty to warn of dangers on improved public lands and for county lifeguards.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of the Attorney General, Department of the Corporation Counsel of the City and County of Honolulu, Department of Emergency Services of the City and County of Honolulu, Mayor of the County of Maui, Mayor of the County of Kauai, Mayor of the County of Hawai'i, Kaua'i Fire Department, Hawai'i Fire Department, County of Maui Department of Fire and Public Safety, Hawaii State Fire Council, Honolulu Fire Department, Hawaiian Lifeguard Association, Kaua'i Chamber of Commerce, Kauai Lifeguard Association, Hawaii Government Employees Association, and eight individuals. Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committees find that since the passage of legislation in the form of Act 82, Session Laws of Hawaii 2003 (Act 82), and in the ensuing eleven years, the Department of Land and Natural Resources has initiated a comprehensive sign program that is deployed statewide in public recreational areas associated with parks and wilderness trails. These actions have resulted in a variety of critical outcomes and now institutionalized management practices. The public has become accustomed to seeing the uniform, standard signs warning of potential exposure to hazardous natural conditions at managed trailheads and park entrances, in addition to at the actual point of exposure.

This sign program strikes the balance between the government's duty to warn and the public's responsibility to heed that warning and make an informed choice, before engaging in recreational activity.

Act 170, Session Laws of Hawaii 2002, provides liability protection for counties and county lifeguards while providing rescue, resuscitative, or other lifeguard services. Your Committees find that the State does not have lifeguards but contracts with the counties for lifeguard services at its state parks. Liability concerns had prevented some counties from participating. Act 170 cleared up these concerns and allowed the State to contract with all counties for lifeguard services at state beach parks. If Act 170 is allowed to sunset, the risk is that counties may pull out of the program.

Your Committees have amended this measure by:

- (1) On the recommendation of the Attorney General, deleting its contents and inserting the contents of S.B. No. 1007, S.D. 2, Proposed H.D. 1 (Regular Session of 2014), which makes Act 82 permanent and additionally extends the conclusive presumption of signage as legally adequate warning of dangerous non-natural conditions on unimproved public lands; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2108, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2108, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Shimabukuro, Taniguchi).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 2295 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2112**

The purpose and intent of this measure is to make permanent the civil liability protection for government agencies regarding their duty to warn of dangers on improved public lands and for county lifeguards.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of the Attorney General, Department of the Corporation Counsel of the City and County of Honolulu, Department of Emergency Services of the City and County of Honolulu, Mayor of the County of Maui, Mayor of the County of Kauai, Mayor of the County of Hawai'i, Kaua'i Fire Department, Hawai'i Fire Department, County of Maui Department of Fire and Public Safety, Hawaii State Fire Council, Honolulu Fire Department, Hawaiian Lifeguard Association, Kaua'i Chamber of Commerce, Kauai Lifeguard Association, Hawaii Government Employees Association, Hawaii Rifle Association, and eight individuals. Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committees find that since the passage of legislation in the form of Act 82, Session Laws of Hawaii 2003, and in the ensuing eleven years, the Department of Land and Natural Resources has initiated a comprehensive sign program that is deployed statewide in public recreational areas associated with parks and wilderness trails. These actions have resulted in a variety of critical outcomes and now institutionalized management practices. The public has become accustomed to seeing the uniform, standard signs warning of potential exposure to hazardous natural conditions at managed trailheads and park entrances, in addition to at the actual point of exposure.

This sign program strikes the balance between the government's duty to warn and the public's responsibility to heed that warning and make an informed choice, before engaging in recreational activity.

Act 170, Session Laws of Hawaii 2002, provides liability protection for counties and county lifeguards while providing rescue, resuscitative, or other lifeguard services. Your Committees find that the State does not have lifeguards but contracts with the counties for lifeguard services at its state parks. Liability concerns had prevented some counties from participating. Act 170 cleared up these



concerns and allowed the State to contract with all counties for lifeguard services at state beach parks. If Act 170 is allowed to sunset, the risk is that counties may pull out of the program.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2112, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2112, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Shimabukuro, Taniguchi).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 2296 (Joint) Water and Land and Hawaiian Affairs on S.B. No. 2124**

The purpose and intent 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.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Aha Moku Advisory Committee, Nature Conservancy, Association of Hawaiian Civic Clubs, and twelve individuals. Your Committees received testimony in opposition to this measure from three individuals. Your Committees received comments on this measure from one individual.

Your Committees find that in the past century, there was a ten-fold decline in the amount of opihi available in markets, and the average amount of opihi has further been halved in the past forty years. The people of Hawaii, opihi harvesters, university scientists, and marine resource managers agree that the popularity of opihi as a delicacy has led to overharvesting statewide and the decline of natural populations. Notably, the island of Oahu has been hit especially hard, where *Cellana exarata* and *Cellana sandwicensis* are rare, and *Cellana talcosa* is functionally absent.

The key to increasing the sustainable harvest of opihi populations is protecting a portion of the populations so that they may reproduce and create the next generation. Fisheries replenishment and management areas are promising management tools to protect breeding populations, while allowing harvest in unprotected areas.

Your Committees' intent is to increase long-term standing-stock opihi abundance, as well as the amount of opihi available for consumption or use by the people of Hawaii.

Your Committees have amended this measure by:

- (1) Deleting the possession of an instrument for harvesting or taking opihi as one of three objects that if possessed simultaneously would constitute unlawful activity pursuant to this measure;
- (2) Clarifying that any person may take or harvest opihi from coastal areas or nearshore waters of the State from June 1 to August 30 and from December 1 through January 31; and
- (3) 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 Water and Land and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2124, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2124, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Shimabukuro, Thielen, Slom).

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2297 (Joint) Water and Land and Hawaiian Affairs on S.B. No. 2743**

The purpose and intent of this measure is to utilize a portion of state conveyance tax revenue to replenish the Kaho'olawe rehabilitation trust fund to be used for the long-term rehabilitation and maintenance of the Kaho'olawe island reserve.

Your Committees received testimony in support of this measure from the Kaho'olawe Island Reserve Commission, County of Maui Department of Planning, Office of Hawaiian Affairs, Hawaiian Affairs Caucus of the Democratic Party of Hawaii, Protect Kaho'olawe Ohana, and twelve individuals. Your Committees received comments from the Tax Foundation of Hawaii and one individual.

Your Committees find that the Kaho'olawe Island Reserve Commission is funded predominantly by a trust fund created in 1994 during the federal unexploded ordnance cleanup of Kaho'olawe. Though considerable, the federal appropriation totaling approximately \$44,000,000 over a period of several years was not substantial enough to establish a sustainable endowment for the long-term restoration of Kaho'olawe. In the past ten years, the Kaho'olawe Island Reserve Commission has been able to develop innovative restoration projects in the extremely harsh conditions of Kaho'olawe that will serve as the foundation for the future restoration of the reserve.

In 2013, the Kaho'olawe Island Reserve Commission embarked on the development of a 2026 strategic plan for Kaho'olawe, marking fifty years of occupation of Kaho'olawe by the people of Hawaii. This strategic plan will address the future restoration, management, and uses of Kaho'olawe for the State, the people of Hawaii, and possibly a future sovereign Native Hawaiian entity.

Auditor's Report No. 13-06, Audit of the Kaho'olawe Rehabilitation Trust Fund, reported that the trust fund will be depleted by 2016. Your Committees find it necessary to utilize a portion of state conveyance tax revenue to replenish the Kaho'olawe rehabilitation trust fund to be used for the long-term rehabilitation and maintenance of the island reserve.

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 Water and Land and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2743, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2743, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5; Ayes with Reservations (Ihara). Noes, none. Excused, 4 (Dela Cruz, Shimabukuro, Thielen, Slom).

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2298 (Joint) Water and Land and Energy and Environment on S.B. No. 2664**

The purpose and intent of this measure is to promote renewable energy in Hawaii by:

- (1) Providing that all penalties, fees, and costs established and collected by the Department of Land and Natural Resources shall be deposited in the special land and development fund;
- (2) Including geothermal resources within the definition of a renewable energy producer; and
- (3) Clarifying the permitting procedures for regulators and renewable energy developers considering geothermal development.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Indigenous Consultants, LLC; and Waimanalo Hawaiian Homes Association.

Existing statutes do not classify geothermal resources as part of the definition of "renewable energy producer". Your Committees find that adding this designation would provide greater equity between geothermal resources and other renewable energy sources such as wind, solar, hydropower, or biomass. Existing statutes pertaining to the regulation and management of mineral resources need updates to provide clarity and reduce ambiguities. The identification and elimination of conflicts in statutory language and procedures would reduce barriers and eliminate ambiguities that could pose potential delays to geothermal exploration and development and facilitate the disposition and regulation of the use and management of mineral resources. Such clarification and updates will assist the Department of Land and Natural Resources in working toward meeting goals of the Hawaii Clean Energy Initiative.

Your Committees have amended this measure by:

- (1) Deleting the amendment to the definition of "geothermal resources" on the recommendation of Indigenous Consultants, LLC, which stated in testimony that the existing definition provides for the use of steam or direct agricultural uses such as hot house and aquaponic applications that do not generate electricity or draw out geothermal water or brine; and
- (2) 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 Water and Land and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2664, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2664, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 7; Ayes with Reservations (Ruderman). Noes, none. Excused, 2 (Taniguchi, Slom).

Energy and Environment

Ayes, 3; Ayes with Reservations (Ruderman). Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 2299 (Joint) Water and Land and Higher Education on S.B. No. 2676**

The purpose and intent of this measure is to repeal the exemption from legislative approval for sales of non-ceded lands conveyed to the University of Hawaii after December 31, 1989, to which the University of Hawaii holds title.

Your Committees received testimony in opposition to this measure from the University of Hawaii System.

Your Committees find that the intent of Act 56, Session Laws of Hawaii 2010, which enacted the amendment to section 171-64.7(b), Hawaii Revised Statutes, being repealed by this measure, was for the exemption to apply only to the West Oahu campus as evidenced by the language of Senate Standing Committee Report No. 2975, Regular Session of 2010, on H.B. No. 2561, S.D. 1, which reads, in part:

"Your Committees find that the Campbell Estate gifted non-ceded lands to the University of Hawaii for the specific purpose of building the West Oahu campus, with the condition that construction begin by December 31, 2011 or the land

reverts to the Campbell Estate. Portions of the gifted land surrounding the proposed campus are to be sold to expedite the financing of the construction of the new campus, however, the legislative approval process may cause delays in these sales thus resulting in the condition not being met.”

According to testimony of the University of Hawaii System on this measure:

“The University’s current focus is on ground leasing opportunities of its lands surrounding the West O’ahu campus. The University may consider other options that may include land sales with the intent that the proceeds would be applied against outstanding revenue bonds or loans, resulting in reducing its current debt service obligations within UH West Oahu’s operating budget.

Should the University be required to obtain the Legislature’s approval, the timely closing of any land transaction may be jeopardized, especially when the Legislature is in recess.”

Your Committees believe that the University of Hawaii should be subject to the same legislative approval process when disposing of state lands as the Department of Land and Natural Resources, which also has occasion to expedite the transfer of state land.

Your Committees have amended this measure by adding the provisions of S.B. No. 2553, Regular Session of 2014, as conforming amendments to require legislative approval for the sale or gifting of the subject lands by the University of Hawaii.

As affirmed by the records of votes of the members of your Committees on Water and Land and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2676, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2676, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Ruderman, Shimabukuro, Taniguchi).

Higher Education

Ayes, 4; Ayes with Reservations (Kidani). Noes, none. Excused, 3 (Ige, Tokuda, Slom).

**SCRep. 2300 Water and Land on S.B. No. 2511**

The purpose and intent of this measure is to make an appropriation for the establishment of a watershed initiatives program within the Department of Land and Natural Resources to plan, monitor, and execute watershed initiatives.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from The Nature Conservancy.

Your Committee finds that forests are essential to providing water at affordable rates. Hawaii’s native forests absorb moisture from rainfall and passing clouds that condense on the thick vegetation and can increase groundwater supply by up to fifty percent. However, over half of these forests have already been lost to invasive species, causing extensive water loss across landscapes. Your Committee believes that our forests are an enormous economic asset that unfortunately continues to degrade at an increasing pace.

The Department of Land and Natural Resources leverages funding and capacity by partnering with other land managers and agencies to protect priority watershed forests across county, state, federal, and private lands. This is made possible by supporting projects implemented by organizations such as the eleven statewide watershed partnerships and the invasive species committees that work across landowner boundaries. This model has provided the Department flexibility to most effectively afford landscape-level watershed protection, in addition to supporting projects implemented by civil service employees on state land.

Your Committee finds that funding under this measure would support the Department’s “The Rain Follows the Forest Watershed Initiative” to implement on-the-ground actions needed to stabilize Hawaii’s water sources. The initiative seeks to double the acreage of protected watershed forests by 2021.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2511 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, 2 (Shimabukuro, Taniguchi).

**SCRep. 2301 (Joint) Water and Land and Hawaiian Affairs on S.B. No. 2125**

The purpose and intent of this measure is to prohibit a person from taking, attempting to take, or possessing aquatic life in state marine waters, within two miles of the shoreline of an island with a total population between one hundred and five hundred individuals, and to prohibit a person from engaging in fish feeding in state marine waters, within two miles of the shoreline of the island.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Aha Moku Advisory Committee; Association of Hawaiian Civic Clubs; Hawaii Fishermen’s Alliance for Conservation and Tradition, Inc.; and sixty-four individuals. Your Committees received testimony in opposition to this measure from five individuals. Your Committees received comments from the Office of Hawaiian Affairs and two individuals. Your Committees wish to note for the record the presence at the hearing on this measure of approximately twenty-five Ni’ihau residents who testified in Hawaiian and English in support and sang a Hawaiian chant.

Your Committees find that Hawaii’s fisheries have historically provided a critical source of physical, cultural, and spiritual sustenance for the inhabitants of the Hawaiian islands. Prior to Western contact, these fisheries were sustainably harvested for

centuries through traditional Hawaiian management strategies of strict, place-based kapu and community-based stewardship of the ocean and its resources.

The relatively recent application of Western economic and environmental philosophies, including the commercialization of fishery stocks and the disruption of ecological cycles through land development, stream diversions, pollution, overfishing, and irresponsible fishing practices, has contributed to a substantial and ongoing decline in the health of our nearshore ocean environment. However, cultural kīpuka continue to exist within Hawaii's relatively isolated rural areas where communities maintain traditional lifestyles, values, and a reliance on nearshore fisheries and other natural resources. The island of Ni'ihau is one such kīpuka. However, visitors from outside the Ni'ihau community are capable of traveling great distances in the pursuit of fish and seek to exploit the abundant resources of Ni'ihau for commercial or other purposes.

Your Committees find that Ni'ihau residents practice traditional Native Hawaiian fishing using throw nets and spears in contrast to modern fishing practices using high speed motor boats, scuba gear, and global positioning systems. Ni'ihau is perhaps the last bastion in the State of native Hawaiian fishing practices. Your Committees believe that it is important to preserve and perpetuate Native Hawaiian cultural practices that go back for hundreds of years and many generations.

Your Committees find that the people of Ni'ihau are in many ways the victim of modernization. They do not seek this measure for their own advantage. The people of Ni'ihau are not engaged in commercial fishing ventures and do not seek their own economic gain through this measure. They do seek to preserve their way of life, including subsistence fishing. Your Committees further find that the fish stocks around Ni'ihau are dwindling, which threatens the food supply for people who practice subsistence fishing. This measure is pivotal to preserving and perpetuating fish stocks and more than one thousand years of old Ni'ihau seashore culture.

Your Committees have amended this measure by:

- (1) Applying the prohibitions under this measure to any island with a total population of less than five hundred individuals; and
- (2) Inserting language to additionally prohibit any person, except an individual currently domiciled on the island or accompanied by an individual currently domiciled on the island, from operating a tour boat, vessel, or jet ski, or riding a surfboard, kayak, zodiac, or other pleasure or recreational craft on the island.

As affirmed by the records of votes of the members of your Committees on Water and Land and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2125, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2125, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5. Noes, none. Excused, 4 (Shimabukuro, Taniguchi, Thielen, Slom).

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2302 (Joint) Hawaiian Affairs and Technology and the Arts on S.B. No. 317**

The purpose and intent of this measure is to re-designate the second Monday of October from "Discoverers' Day" to "Indigenous Peoples' Day."

Your Committees received testimony in support of this measure from the Association of Hawaiian Civic Clubs, University of Hawaii at Manoa's Department of Ethnic Studies, and five individuals.

Your Committees find that the State should celebrate Polynesian voyagers who truly founded the Hawaiian islands, rather than the European discoverers who subjected the islands to colonization, exploitation, and human rights violations. Therefore, your Committees conclude that the second Monday in October shall be known as "Indigenous Peoples' Day," rather than "Discoverers' Day," to celebrate and honor the Native Hawaiians who originally inhabited the Hawaiian islands and survived the indignities of European "discovery".

Your Committees have amended this measure by:

- (1) Clarifying that Indigenous Peoples' Day shall be in recognition of the Polynesian founders, rather than discoverers, of the Hawaiian islands;
- (2) Clarifying that Indigenous Peoples' Day shall be in recognition of the countless indigenous peoples who perished worldwide as a result of confrontations between indigenous peoples and Europeans, along with the survival of their descendants; and
- (3) 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 Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 317, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 317, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Technology and the Arts

Ayes, 3; Ayes with Reservations (Ihara). Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 2303 Education on S.B. No. 2137**

The purpose and intent of this measure is to clarify the maximum number of consecutive terms that members of the Board of Education may serve.

Your Committee did not receive any testimony on this measure.

Your Committee finds that this measure clarifies that the terms of the members of the Board of Education are governed by section 302A-123, Hawaii Revised Statutes (HRS), rather than section 26-34, HRS.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2137 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ruderman).

**SCRep. 2304 (Majority) Health on S.C.R. No. 3**

The purpose and intent of this measure is to urge the Department of Taxation to amend the hearing examination section of Form N-172 to include individuals with Meniere's disease.

Your Committee received testimony in opposition to this measure from the Department of Taxation.

Your Committee finds that in order to apply for a state income tax deduction for deaf persons, individuals with impaired hearing must have a licensed medical professional certify their impairment using Form N-172, Claim for Tax Exemption by Person with Impaired Sight or Hearing or by Totally Disabled Person and Physician's Certification. Your Committee further finds that the current method of determining the level of hearing impairment does not take into account individuals with hearing that is distorted due to Meniere's disease because their hearing threshold for any given frequency may be well within the criteria on Form N-172.

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. 3 and recommends that it 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. 2305 (Majority) Health on S.R. No. 4**

The purpose and intent of this measure is to urge the Department of Taxation to amend the hearing examination section of Form N-172 to include individuals with Meniere's disease.

Your Committee received testimony in opposition to this measure from the Department of Taxation.

Your Committee finds that in order to apply for a state income tax deduction for deaf persons, individuals with impaired hearing must have a licensed medical professional certify their impairment using Form N-172, Claim for Tax Exemption by Person with Impaired Sight or Hearing or by Totally Disabled Person and Physician's Certification. Your Committee further finds that the current method of determining the level of hearing impairment does not take into account individuals with hearing that is distorted due to Meniere's disease because their hearing threshold for any given frequency may be well within the criteria on Form N-172.

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. 4 and recommends that it 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. 2306 Health on S.B. No. 2035**

The purpose and intent of this measure is to:

- (1) Replace the position of Executive Director of the Hawaii Health Authority with a Chair position; and
- (2) Appropriate funds for operating expenses of the Authority.

Your Committee received testimony in support of this measure from four individuals.

Your Committee finds that the Hawaii Health Authority is responsible for overall health planning for the State. Your Committee further finds that a \$300,000 appropriation will support the mission of the Hawaii Health Authority to provide universal health care to Hawaii's citizens and enhance Hawaii's health care delivery system.

Your Committee has amended this measure by inserting an effective date of January 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. 2035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2035, 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 (Baker, Slom). Noes, none. Excused, 1 (Nishihara).

**SCRep. 2307 (Joint) Economic Development, Government Operations and Housing and Technology and the Arts on S.B. No. 2832**

The purpose and intent of this measure is to:

- (1) Allow the High Technology Development Corporation to provide grants up to fifty percent of the amount of the federal award or contract to any business in Hawaii that receives federal small business innovation research Phase II or III awards or contracts; and
- (2) Increase the ceiling on any single transfer of funds from the Hawaii capital loan revolving fund from \$100,000 to \$500,000.

Your Committees received testimony in support of this measure from the Office of the Governor, High Technology Development Corporation, Oceanit, The Chamber of Commerce of Hawaii, TeraSys Technologies, and Spectrum Photonics, Inc.

Your Committees find that the technology industry in Hawaii has grown over the past ten years and has made strides toward diversifying Hawaii's economy. Companies that are developing cutting edge technologies rely on federal support through the Small Business Innovation Research Grant program, which encourages and funds early stage ideas and innovations. Great ideas emerge from this early stage funding, and these ideas and technologies are vetted and entered into competitions at a national level. However, with the level of funding that is provided in a small business innovation research Phase I grant, there is barely enough money to demonstrate proof-of-concept for a technology. Follow-up funding is essential to move the technology toward prototyping, customer interface, and development.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2832, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2832, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (Baker).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2308 Education on S.B. No. 2331**

The purpose and intent of this measure is to:

- (1) Define the term "license" to clarify that teacher licenses are issued by the Hawaii Teacher Standards Board;
- (2) Repeal the authority of employers or prospective employers to refuse to issue a teaching or other educational certificate or revoke a teaching or other educational certificate from certain persons under certain conditions;
- (3) Make clarifying amendments to the membership requirements of the Hawaii Teacher Standards Board;
- (4) Clarify that charter schools fall under the purview of the Hawaii Teacher Standards Board; and
- (5) Make housekeeping and other conforming amendments related to the Hawaii Teacher Standards Board.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii Teacher Standards Board, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii State Teachers Association. Your Committee received comments on this measure from the State Public Charter School Commission.

Your Committee finds that this measure clarifies the membership of the Hawaii Teacher Standards Board to make it clear that all interested constituent groups may submit nominations for the Governor's consideration. This will help ensure representation from diverse groups in Hawaii's educational system, diverse populations, and various geographic areas.

Your Committee further finds that this measure clearly articulates and reinforces that charter schools fall under the purview of the Hawaii Teacher Standards Board. However, as this measure moves forward, your Committee notes that clarification may be needed on the roles and responsibilities of the State Public Charter School Commission and the individual charter schools as they relate to teachers.

Your Committee has amended this measure by:

- (1) Adding language to clarify that an employer or respective employer may refuse to issue and may revoke a certificate for school administrators under certain conditions; and
- (2) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2331, 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, none. Excused, 2 (Gabbard, Slom).

**SCRep. 2309 Education on S.B. No. 3083**

The purpose and intent of this measure is to appropriate funds for and authorize additional full-time equivalent permanent or temporary positions for the Department of Education's school athletics program.

Your Committee received testimony in support of this measure from the Department of Education; United Public Workers, AFSCME, Local 646, AFL-CIO; ILWU Local 142; Athletic Directors and Coaches Association of Hawaii; Pūlama Lāna'i; Hawaii State Teachers Association; and twenty-five individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that as a result of the recession of 2008, the Department of Education's school athletics program suffered serious cut backs in funding and positions. School athletics is an important part of many public school children's lives and teaches teamwork, sportsmanship, and commitment. This measure will help restore resources to the Department of Education's school athletics program.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Education is authorized to create, fill, and fund additional coaching and assistant coaching positions, rather than full-time equivalent permanent or temporary positions; and
- (2) Inserting an appropriation amount of \$2,000,000.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3083, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 2310 Education on S.B. No. 2763**

The purpose and intent of this measure is to require the Board of Education to allow public testimony on items not on a public meeting agenda if certain requirements are met.

Your Committee received testimony in support of this measure from the Special Education Advisory Council, Community Children's Council, Americans for Democratic Action, League of Women Voters, Hawaii State Teachers Association, and fourteen individuals. Your Committee received comments on this measure from the Board of Education and the Office of Information Practices.

Your Committee finds that the Office of Information Practices raised several concerns with this measure. First, while the Board of Education may allow testimony on items that are not on its meeting agenda, members of the Board of Education may not engage in any discussion of issues raised during this type of testimony without violating the Sunshine Law, chapter 92, Hawaii Revised Statutes. In addition, if public testimony is allowed on items that are not on a meeting agenda, other interested parties may not be present at the board meeting to hear what others have to say about a particular issue and will not be able to share their own views because they did not have any notice that a particular issue would be raised.

Your Committee further finds that the Board of Education's community meetings may be a more appropriate venue for people to voice their opinions and concerns on a number of issues that may not be on the Board of Education's meeting agendas. Your Committee notes that while existing law requires the Board of Education to hold not less than one community meeting in each county annually, the Board of Education has conducted fifteen community meetings throughout the State over the last two years.

It should also be noted that during this same period, the nine volunteer members of the Board of Education have visited over two hundred schools, attended over four hundred stakeholder meetings statewide, and held one hundred sixty-nine committee and Board meetings. The Board of Education has also established "Chair Office Hours", which takes place twice a month, usually between 4:30 p.m. and 5:30 p.m. following the Board meetings, to allow individuals and Department of Education employees to express their concerns. In addition, the Board of Education has created an independent hotline with an audit trail so persons who wish to remain anonymous can voice their concerns anonymously.

Your Committee has amended this measure by:

- (1) Increasing the number of community meetings the Board of Education must hold annually from one per county to a total of six, provided that at least one meeting is held per county;
- (2) Placing the language requiring the Board of Education to allow public testimony on any matter not on the agenda in session law rather than codifying the requirement in the Hawaii Revised Statutes;
- (3) Clarifying that public testimony on matters not on the Board of Education's meeting agenda shall be placed at the end of the agenda;
- (4) Repealing the requirement that the Board of Education allow public testimony on any matter not on the agenda on June 30, 2019;
- (5) Requiring the Board of Education to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015 on its efforts to amend its policies to include an open forum at the end of its meeting agendas; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2763, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ruderman).

**SCRep. 2311 Education on S.B. No. 2768**

The purpose and intent of this measure is to:

- (1) Beginning with the 2014-2015 school year, make kindergarten attendance mandatory for children who will be at least five years of age on July 31 of the school year;
- (2) Require the Department of Education, in collaboration with the Executive Office on Early Learning, to develop a uniform statewide individualized kindergarten readiness program;
- (3) Establish an individualized kindergarten readiness assessment system within the Department of Education to replace the Hawaii State School Readiness Assessment with more meaningful, individualized data, and reduce the need for and cost of assessments that individual schools are purchasing or developing; and
- (4) Make an appropriation to the Department of Education for the administration, training, technology, and support necessary for the establishment of the individualized kindergarten readiness assessment system and to establish four full-time equivalent (4.0 FTE) positions for professional development and training of kindergarten teachers.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning, Department of Education, Department of Human Services, University of Hawaii at Manoa College of Education, Good Beginnings Alliance, Institute for Native Pacific Education and Culture, Hawai'i Association for the Education of Young Children, The Chamber of Commerce of Hawaii, Hawaii State AFL-CIO, KCAA Preschools of Hawai'i, Hui for Excellence in Education, IMUAlliance, Hawaii State Teachers Association, Hawai'i P-20 Partnerships for Education, and ten individuals. Your Committee received testimony in opposition to this measure from the League of Women Voters Hawaii and one individual.

Your Committee finds that many studies show the importance of early childhood education. Currently, Hawaii does not require that children attend kindergarten, although ninety-seven percent of students eligible to attend do voluntarily enroll in either public or private kindergarten classes. Those who do not attend kindergarten are typically behind their peers in their academic and social development. This measure will enhance the educational achievement of Hawaii's youth by making attendance at a public or private kindergarten mandatory, unless otherwise exempted by law.

Your Committee further finds that a uniform kindergarten assessment process can provide valuable feedback to early learning programs engaged in quality and culturally responsive early learning efforts and can assist parents and families in better understanding their child's learning and development. Understanding the needs of individual children will help ensure that all children are on track for continued learning and growth.

Your Committee notes that parents who choose to home school their children will be allowed to continue to do so under this measure.

Your Committee has amended this measure by:

- (1) Increasing the appropriation to the Department of Education from \$450,000 to \$870,000 for the increased support necessary for establishment of the assessment system, specifically for the hiring of substitute teachers that will be needed as teachers undergo the training and professional development required pursuant to this measure; and
- (2) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2768, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2768, 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 (Gabbard). Noes, none. Excused, 1 (Slom).

**SCRep. 2312 Education on S.B. No. 2446**

The purpose and intent of this measure is to require the Department of Education to name the new public high school in Kihei, Maui, in honor of the late United States Representative Patsy Takemoto Mink.

Your Committee received testimony in support of this measure from the University of Hawaii System; Hawaii State Commission on the Status of Women; YWCA of Oahu; Hawai'i Friends of Civil Rights; ILWU Local 142; United Public Workers, AFSCME, Local 646, AFL-CIO; and eighteen individuals, many of whom were students testifying through the Senate's Videoconference Pilot Project. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that the accomplishments of the late United States Representative Patsy Takemoto Mink left a lasting impression on the people of Hawaii. Among her many accomplishments, Representative Mink is perhaps most recognized for spearheading legislation that would become known as Title IX of the Education Amendments of 1972, which bared discrimination based on sex in educational programs receiving federal funds. Title IX created numerous professional and athletic opportunities that were previously denied to women. This measure will provide an appropriate memorial to recognize and honor Representative Mink's legacy.



As this measure moves forward, it should be noted that a Kihei High School already exists on Maui. In 2001, the South Maui Learning Ohana founded Kihei Public Charter School and began accepting high school students. Currently, the school has two campuses, one serving children in kindergarten through eighth grade, and the other serving children in grades nine through twelve. This school is commonly referred to as Kihei High School and the Free Application for Federal Student Aid recognizes Kihei Public Charter School as Kihei High School.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2446 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. 2313 (Majority) Education on S.B. No. 2806**

The purpose and intent of this measure is to increase the salary cap of the Superintendent of Education from \$150,000 to \$250,000 a year.

Your Committee received testimony in support of this measure from the Board of Education, Kaneohe Ranch, Hawaii Association of Independent Schools, Hawaii Business Roundtable, and Hui for Excellence in Education. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the salary of the Superintendent of Education has not been adjusted since 2001. The Superintendent of Education's current salary is well below national norms. In addition, at least four public school principals under the Superintendent of Education currently make as much, or more, than the Superintendent. This measure adjusts the salary cap of the Superintendent of Education based upon a comprehensive review of similar positions and responsibilities for superintendents in comparable school districts in the United States.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2806 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, 2. Noes, 1 (Slom). Excused, 2 (Gabbard, Ruderman).

**SCRep. 2314 (Joint) Agriculture and Energy and Environment on S.B. No. 2458**

The purpose and intent of this measure is to appropriate funds for the biosecurity program within the Department of Agriculture.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Maui Invasive Species Committee, Democratic Party of Hawaii, The Nature Conservancy, and one individual. Your Committees received comments on this measure from Abel Freight Services, Inc.

Your Committees find that invasive species, including weeds, insects, snakes, and other pests, are one of the greatest security threats to Hawaii's economy, agriculture, and natural environment. Unfortunately, the State is currently struggling to control a number of invasive species that have already spread through the islands, including the little fire ant and coqui frog. Due to Hawaii's favorable climate conditions and limited competition, non-native species find Hawaii an ideal environment in which to thrive. Preventing the introduction of non-native species, however, is exponentially more economical than eradicating non-native species once they are already established in Hawaii. Your Committees conclude that ensuring the biosecurity program is fully funded is essential to preventing the introduction and proliferation of harmful invasive species.

One testifier raised concerns that the funds appropriated to the biosecurity program would be used to construct a single biosecurity facility, which would create a pest inspection monopoly in the State, and increase food costs to the Hawaii consumer. Your Committees note that a representative from the Department of Agriculture assured your Committees that the appropriation in this measure is not earmarked to construct one single biosecurity facility, but rather may be used for a number of biosecurity activities. The representative further assured your Committees that the Department will be meeting with interested stakeholders regarding this issue next week.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2458 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.  
Agriculture  
Ayes, 5. Noes, none. Excused, 2 (Thielen, Slom).  
Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2315 (Joint) Agriculture and Energy and Environment on S.B. No. 2347**

The purpose and intent of this measure is to:

- (1) Require that nursery stock is treated for the eradication of pests prior to the sale or transport of the nursery stock within the State;
- (2) Limit the exception to possess, propagate, sell, transfer, or harbor prohibited animals to those being used for scientific research;

- (3) Require an element of gross negligence, rather than intent, for a violation of section 150A-6(3) or (4), Hawaii Revised Statutes, relating to the importation of certain animals, plants, or equipment that is harmful to agriculture, horticulture, animals, public health, or natural resources;
- (4) Eliminate the element of intent to propagate, sell, or release from the penalty for transporting, harboring, or importing prohibited animals or restricted plants, animals, or microorganisms without a permit;
- (5) Eliminate the element of intent to propagate, sell, or release from the penalty for importing, possessing, harboring, transferring, or transporting any designated pest; and
- (6) Clarify that treatment of certified and non-certified nursery stock shall be at the risk and expense of the owner or persons in charge or in possession of the nursery stock at the time of treatment, unless otherwise provided.

Your Committees received testimony in support of this measure from the Maui Invasive Species Committee and four individuals. Your Committees received comments on this measure from the Department of the Attorney General, Department of Agriculture, and one individual.

Your Committees find that pests, such as the coqui frog and little fire ant, are threatening Hawaii's delicate ecosystem and must be controlled. This measure requires that pests be eradicated before they are sold or transported in the State so that destructive pests are not able to infest the Hawaiian islands.

Your Committees have amended this measure by:

- (1) Clarifying that coqui frogs and little fire ants, in addition to any other pests designated for eradication and control by the Department of Agriculture's rules and section 141-3, Hawaii Revised Statutes, must be eradicated from nursery stock prior to sale or transport within the State;
- (2) Clarifying that only pest-infested nursery stock must be treated for the eradication of pests prior to sale or transport within the State;
- (3) Clarifying that nurseries or landscapers who fail to treat nursery stock for the eradication of pests shall be responsible at their own expense for eradicating pests from infested properties where proof of sale or placement of their nursery stock has been made and any other nursery stock on the affected properties that are infested by the transported nursery stock;
- (4) Removing language that would have limited the exception to the possession of prohibited animals to only animals used for scientific research; and
- (5) 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 Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2347, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2347, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5; Ayes with Reservations (Kouchi). Noes, none. Excused, 2 (Thielen, Slom).

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2316 (Joint) Agriculture and Energy and Environment on S.B. No. 2435**

The purpose and intent of this measure is to:

- (1) Give preference to monies deposited into the agricultural development and food security special fund as a portion of the environmental response, energy, and food security tax for the acquisition of real property for agricultural production; and
- (2) Increase the allocation of the environmental response, energy, and food security tax to the agricultural development and food security special fund.

Your Committees received comments on this measure from the Department of Agriculture, Tax Foundation of Hawaii, and Babes Against Biotech.

Your Committees find that Hawaii imports about eighty-five percent of its food. To promote diversified agriculture and thereby increase agricultural self-sufficiency, it is vital that the State purchase and safeguard agricultural lands for agricultural production.

Your Committees have amended this measure by:

- (1) Removing language that increases the allocation of the environmental response, energy, and food security tax to the agricultural development and food security special fund because this adjustment is better fulfilled by S.B. No. 2196, Regular Session of 2014; and
- (2) 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 Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2435, as amended herein, and

recommend that it pass Second Reading in the form attached hereto as S.B. No. 2435, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (Thielen, Slom).

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2317 (Joint) Agriculture and Energy and Environment on S.B. No. 2970**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist BioTork Hawaii, LLC (BioTork), with the planning, permitting, design, construction, equipping, and operation of a facility to convert agricultural crops and byproducts to biofuels and feed.

Your Committees received testimony in support of this measure from the Department of Agriculture; Agribusiness Development Corporation; BioTork Hawaii, LLC; and one individual. Your Committees received testimony in opposition to this measure from two individuals.

The high cost of energy and livestock feed are significant barriers to food security and sustainability in Hawaii. BioTork's proposal to convert agricultural crops and byproducts such as albizia, sweet potatoes, papaya, and molasses to biofuels and high protein feed would be a boon to Hawaii's agricultural economy. Therefore, your Committees support this measure.

Your Committees note that they are requesting BioTork to submit letters to your Committees that they received from the Department of Business, Economic Development, and Tourism and the Department of Budget and Finance confirming the receipt of and review of BioTork's business plan. Your Committees are not requiring that these agencies provide approval or render a conclusion regarding the business plan in the letters; however, the letters must be received by your Committees by April 11, 2014, prior to the start of Conference hearings.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2970, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2970, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (Thielen, Slom).

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2318 Technology and the Arts on S.B. No. 2617**

The purpose and intent of this measure is to:

- (1) Amend the criteria for the works of art to be commissioned to honor the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink;
- (2) Amend the appropriation amount to an adequate sum for each year of the 2013-2015 fiscal biennium; and
- (3) Change the expending agency from the Department of Accounting and General Services to the State Foundation on Culture and the Arts.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the creation of permanent works of art to tribute to the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink are in the early design stages of development. Your Committee further finds that the State Foundation on Culture and the Arts appears to be better suited for overseeing these tasks and since the works of art are only in their infancy of the design stage, a sufficient appropriation amount is not yet known.

Your Committee requests that if your Committee on Ways and Means decides to hold a hearing on this measure, that it look further into determining a sufficient amount to appropriate to the State Foundation on Culture and the Arts to adequately provide a tribute to Senator Daniel K. Inouye and Representative Patsy T. Mink in fulfilling the requirements of this measure.

Your Committee has amended this measure accordingly by removing the appropriation amount of "an adequate sum" and replacing it with an unspecified amount.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2617, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2617, 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. 2319 Technology and the Arts on S.B. No. 2384**

The purpose and intent of this measure is to establish theft of certain personal electronic devices that may be used to store or retrieve personal information as theft in the second degree.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu and one individual.

Your Committee finds that thieves often target computers and other electronic devices to gain access to private and financial information that can cause great damage to an individual. This measure broadens the offense of theft in the second degree to include theft of certain personal electronic devices.

Your Committee has amended this measure by deleting all items that, if stolen, would have constituted theft in the second degree under this measure and adding language to establish theft of a computer, as defined in section 708-890, Hawaii Revised Statutes, as theft in the second degree.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2384, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2320 Technology and the Arts on S.B. No. 2375**

The purpose and intent of this measure is to protect a person from having a sexual representation distributed without the person's consent by establishing a misdemeanor criminal offense of unlawful distribution of sexual representation.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; Pacific Alliance to Stop Slavery; IMUAlliance; and two individuals.

Your Committee finds that rapidly accelerating technology has made it easy to access and disseminate intimate images, videos, and recordings. Unfortunately, after a relationship ends, individuals sometimes try to hurt their former partner by publishing intimate images or recordings on the Internet. These acts violate the privacy of an individual whose image is distributed or made available through the Internet and can cause emotional distress, physical harm, academic challenges, and workplace difficulties. Currently, there is no criminal offense that covers these acts; therefore, this measure will impose meaningful consequences on perpetrators who distribute private images with the intent to substantially harm the depicted person.

Your Committee has amended this measure by deleting its contents and inserting language that amends section 711-1110.9, Hawaii Revised Statutes, to establish the act of knowingly disclosing an image of another identifiable person in the nude or engaging in sexual activity, without the depicted person's consent, with intent to substantially harm the depicted person with respect to that person's health, safety, business, calling, career, financial condition, reputation, or personal relationships, as an offense of violation of privacy in the first degree.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2375, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2321 Technology and the Arts on S.B. No. 2289**

The purpose and intent of this measure is to improve the ability of boards and commissions to make meeting notices readily available to the public by:

- (1) Requiring meeting notices to include an internet web address for instructions on submitting testimony for a meeting;
- (2) Allowing boards and commissions to provide notice of a meeting by either first class mail or electronic means, including electronic mail and text messaging;
- (3) Requiring boards and commissions to provide instructions and contact information for persons to request to be included on the list for notification of meetings to be sent via postal mail or electronic means; and
- (4) Specifying that any person who fails to properly send meeting notices by postal mail or electronic means or fails to send meeting notices in a timely manner shall be subject to penalties.

Your Committee received testimony in support of this measure from the Office of Information Practices; Hawaii Public Housing Authority; Hawaii Strategic Development Corporation; League of Women Voters; and one individual. Your Committee received comments on this measure from the University of Hawaii Board of Regents.

Your Committee finds that boards and commissions have a duty to ensure that meeting notices are readily available to the public under the Sunshine Law, chapter 92, Hawaii Revised Statutes. Existing law requires notice to be sent by postal mail; however, with postage becoming more cost prohibitive and more members of the public relying on receiving mail through electronic means, electronic mailing of meeting notices is a more efficient and effective alternative to conventional mail. This measure will improve the ability of boards and commissions, of all sizes and a variety of resources, to make meeting notices readily available to the public.

Your Committee has amended this measure by:

- (1) Eliminating the requirement that meeting notices must include internet addresses;
- (2) Eliminating the requirement that boards and commissions must provide instructions and contact information for persons to request to be included on the notification list;
- (3) Eliminating the provision allowing boards and commissions to send meeting notices by text messaging;
- (4) Eliminating the penalty provision;
- (5) Amending section 1 to reflect the amended purpose of this 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 Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2289, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 2322 Technology and the Arts on S.B. No. 3125**

The purpose and intent of this measure is to require the Auditor to conduct a financial and management audit of the State Foundation on Culture and the Arts.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Association of Hawaiian Civic Clubs, and three individuals.

Your Committee finds that improvements should be made to the organization and operation of the State Foundation on Culture and the Arts. A financial and management audit will provide guidance to the State Foundation on Culture and the Arts as it clarifies its role and duties and improves operations.

Your Committee has amended this measure by additionally requiring the Auditor to determine best management practices for the State Foundation on Culture and the Arts.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3125, 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. 2323 Health on S.B. No. 2660**

The purpose and intent of this measure is to allow authorized health care providers to prescribe and authorized entities to provide and administer epinephrine auto-injectors in emergencies and under certain conditions.

Your Committee received testimony in support of this measure from Mylan, Inc. Your Committee received testimony in opposition to this measure from the Department of Health and Hawaii Association for Justice.

Your Committee finds that an estimated one out of thirteen children in the United States has a food allergy, which can sometimes lead to a life-threatening allergic reaction. Your Committee further finds that immediate access to epinephrine auto-injectors can be the difference between life and death. This measure increases access to epinephrine auto-injectors, which will help prevent tragedies from occurring in Hawaii.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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. 2660, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2660, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

**SCRep. 2324 (Joint) Health and Technology and the Arts on S.B. No. 2469**

The purpose and intent of this measure is to:

- (1) Require reimbursement for services provided through telehealth to be equivalent to reimbursement for the same services provided via face-to-face contact between a health care provider and a patient;
- (2) Clarify that a health care provider of telehealth includes primary care providers, mental health providers, and oral health providers; and
- (3) Amend references from “telemedicine” to “telehealth” throughout the Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Office of the Governor, Department of Health, State Council on Developmental Disabilities, Healthcare Association of Hawaii, Hawaii State Center for Nursing, Community Alliance for Mental Health, The Queen's Health Systems, Hawaii Medical Association, Hawaii Health Systems Corporation, American Association of Nurse Practitioners, Witt Counseling Service, Hawaii Association of Professional Nurses, Hawaii Pacific Health, and several individuals. Your Committees received comments on this measure from the Department of Human Services, Hawaii Medical Board, and Hawaii Medical Service Association.

Your Committees find that the effective use of telehealth is essential to improve access to care in Hawaii, where the island geography presents the State with unique challenges. This measure will assist in the delivery of enhanced statewide health care services, increase access to services, and provide timely information to patients and health care providers.

Your Committees have amended this measure by inserting an effective date of January 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2469, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2469, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Health

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

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 2325 (Joint) Health and Technology and the Arts on S.B. No. 2571**

The purpose and intent of this measure is to require all cellular telephones, including refurbished and remanufactured cellular telephones, sold or leased by a retailer in the State to bear a label that warns consumers of the potential dangers of electromagnetic radiation emitted by cellular telephones.

Your Committees received testimony in support of this measure from one individual. Your Committees received testimony in opposition to this measure from CTIA – The Wireless Association and one individual.

Your Committees find that the expanding use of cellular telephones has resulted in concerns over the potential dangers of human exposure to electromagnetic radiation emitted by cellular telephones. Your Committees further find that there is increased concern about the long-term effect of electromagnetic radiation exposure on children and pregnant women. This measure makes consumers aware of the potential health dangers that have been linked to the electromagnetic radiation emitted by cellular telephones.

Your Committees have amended this measure by:

- (1) Amending the required warning label to read, "To reduce exposure to radiation that may be hazardous to your health, please follow the enclosed product safety guidelines."; and
- (2) Amending section 1 to reflect the amended purpose of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2571, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2571, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Health

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

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 2326 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2496**

The purpose and intent of this measure is to:

- (1) Impose an excise tax equal to eight-five percent of the wholesale price of any tobacco product, other than large cigars, sold by a wholesaler or dealer on and after January 1, 2015, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer;
- (2) Require any increase in the excise tax rate imposed on cigarettes or little cigars on or after January 1, 2015, to trigger an automatic excise tax increase on other tobacco products on or after January 1, 2015; and
- (3) Require the additional monies collected under the excise tax to be deposited to the credit of the Hawaii cancer research special fund.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Primary Care Association, University of Hawaii System, American Lung Association, American Cancer Society, Coalition for a Tobacco-Free Hawaii, and several individuals. Your Committees received testimony in opposition to this measure from the Hawaii Smokers Alliance and one individual. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that the tax on other tobacco products is currently lower than the tax on cigarettes, even though they are similarly addictive and dangerous, and are concerned that consumers may be more likely to purchase tobacco products as the price of cigarettes increases without a comparable increase in the price of tobacco products. Your Committees further find that other tobacco products present significant health risks leading to cancer, heart disease, respiratory illnesses, and other serious diseases.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) 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 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. 2496, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2496, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 2327 (Joint/Majority) Health and Commerce and Consumer Protection on S.B. No. 2495**

The purpose and intent of this measure is to regulate electronic smoking devices by:

- (1) Requiring wholesalers, dealers, and retailers of electronic smoking devices to obtain a license from the Department of Health;
- (2) Amending Hawaii's anti-smoking statute to prohibit the use of electronic smoking devices in places open to the public and places of employment; and
- (3) Clarifying that the sale, distribution, or display of electronic smoking devices is restricted in the same manner as cigarettes and other tobacco products.

Your Committees received testimony in support of this measure from the Department of Health, American Heart Association, American Cancer Society Cancer Action Network, Coalition for a Tobacco-free Hawai'i, and two individuals. Your Committees received testimony in opposition to this measure from Volcano Fine Electronic Cigarettes, Black Lava Vape, Hawaii Smokers Alliance, Vapors Anonymous, and sixteen individuals. Your Committees received comments on this measure from the Hawaii Food Industry Association and HI Vapor Emporium.

Your Committee finds that in *Sottera, Inc. v. Food & Drug Admin.*, the United States Court of Appeals for the District of Columbia Circuit held that electronic cigarettes and other products made or derived from tobacco can be regulated as "tobacco products" under the federal Family Smoking Prevention and Tobacco Control Act of 2009. However, the federal Food and Drug Administration has not yet exercised its regulatory authority over electronic smoking devices. Your Committee further finds that electronic smoking devices are manufactured without regulatory oversight or quality control. This is especially troubling because the safety of electronic smoking devices has not yet been fully studied.

Your Committees have heard the concerns that the Department of Health lacks the capacity and fiscal resources to conduct electronic smoking device licensing and enforcement as proposed by this measure. Your Committees understand and appreciate these concerns and note that the Department of Taxation licenses and enforces the sale of cigarettes and other tobacco products under the existing chapter 245, Hawaii Revised Statutes, the cigarette tax and tobacco tax law. Your Committees conclude it is more appropriate to amend this measure to include electronic smoking devices under chapter 245, Hawaii Revised Statutes, thereby providing the Department of Taxation with the authority to issue licenses and permits and tax these products.

Your Committees further find that by including electronic smoking devices under the existing definition of "tobacco products" in section 245-1, Hawaii Revised Statutes, the licensing and permitting requirements for tobacco products under chapter 245, Hawaii Revised Statutes, will now apply to electronic smoking devices. This includes the licensing requirements for wholesalers and dealers under section 245-2, Hawaii Revised Statutes, and the retail tobacco permitting requirements of section 245-2.5, Hawaii Revised Statutes.

Your Committees additionally find that the licensing and permit fees under chapter 245, Hawaii Revised Statutes, should be increased. When compared to other states, Hawaii's tobacco licensing fees are among the lowest in the country. Hawaii's license fee for a wholesaler or dealer has not increased since 1995, and the State is one of only two that charge a wholesaler or dealer less than a retailer for a license. Accordingly, amendments to this measure are necessary.

Your Committees also find that amendments to this measure are needed to establish an excise tax on electronic smoking device kits, nicotine cartridges, and nicotine refills. Your Committees note that other states have extremely high tax rates on tobacco products, including electronic smoking devices. For instance, Minnesota taxes tobacco products and electronic smoking devices at ninety-five percent. Your Committees believe that the Hawaii tax rate on these products should be somewhere between ten and fifty percent, but have concluded that the excise tax rate on electronic smoking devices and related products should be left unspecified at this time, so as to encourage further discussion on this issue.

Finally, your Committees have heard testimony that electronic smoking devices are not distributed to potential customers, but rather sampled. Amendments are therefore necessary to clarify that the sampling of tobacco products, including electronic smoking devices, is prohibited.

Accordingly, your Committees have amended this measure by:

- (1) Deleting language that would have established a new chapter in the Hawaii Revised Statutes for the regulation of electronic smoking devices;
- (2) Including electronic smoking devices within the definition of “tobacco products” under chapter 245, Hawaii Revised Statutes, thereby:
  - (A) Subjecting wholesalers and dealers of electronic smoking devices to the same licensing requirements as wholesalers and dealers of cigarettes and other tobacco products; and
  - (B) Subjecting retailers of electronic smoking devices to the same permitting requirements as retailers of cigarettes and other tobacco products;
- (3) Increasing the license fee for persons engaged as a wholesaler or dealer of cigarettes or tobacco products, including electronic smoking devices, from \$2.50 to \$250;
- (4) Increasing the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes or tobacco products, including electronic smoking devices, from \$20 to \$50;
- (5) Establishing an excise tax on electronic smoking devices of an unspecified percent of the wholesale price of each electronic smoking device kit, electronic smoking device nicotine cartridge, or electronic smoking device nicotine refill sold, used, or possessed by a wholesaler or dealer on or after October 1, 2014;
- (6) Amending the definitions of “smoke” or “smoking” and “electronic smoking devices” and adding a new definition of “tobacco products” under chapter 328J, Hawaii Revised Statutes, that includes electronic smoking devices;
- (7) Clarifying that the sale, distribution, sampling, or display of tobacco products, including electronic smoking devices, and the distribution of promotional materials, or coupons redeemable for promotional materials, for tobacco products, including electronic smoking devices, are restricted in the same manner as cigarettes and other tobacco products;
- (8) Updating the purpose section for clarity;
- (9) Changing the effective date to upon approval; provided that the license and permit fees and excise tax proposed by this measure shall take effect on January 1, 2015; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that this amended measure is intended to strike a balance between public health and smoking cessation and legitimate business interests. It is your Committees’ intent for there to be an ongoing dialogue regarding the excise tax rate for electronic smoking devices. Your Committees note that this amended measure is not intended to create a hardship for businesses, but it is important to find common ground in the regulation of electronic smoking devices, while working toward smoking cessation amongst Hawaii 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 are in accord with the intent and purpose of S.B. No. 2495, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2495, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 3; Ayes with Reservations (Nishihara). Noes, 1 (Chun Oakland). Excused, 1 (Slom).

Commerce and Consumer Protection

Ayes, 3; Ayes with Reservations (Nishihara, Taniguchi). Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 2328 (Joint/Majority Health and Commerce and Consumer Protection on S.B. No. 2909**

The purpose and intent of this measure is to:

- (1) Provide insurance coverage for three in vitro fertilization cycles or a live birth;
- (2) Remove the requirement that the patient’s oocytes be fertilized with sperm from the patient’s spouse;
- (3) Remove the requirement that the patient’s spouse have a history of infertility;
- (4) Provide insurance coverage for patients who have a history of infertility of twelve months if thirty-five years or younger, or six months if thirty-six years or older;
- (5) Expand the medical conditions associated with infertility to include ovulatory dysfunction and diminished ovarian reserve; and
- (6) Add a definition of infertility.

Your Committees received testimony in support of this measure from Kaiser Permanente; Hawaii Health Systems Corporation; Advanced Reproductive Medicine and Gynecology of Hawaii, Inc.; Fertility Institute of Hawaii; and eight individuals. Your Committees received testimony in opposition to this measure from The Chamber of Commerce of Hawaii, Hawaii Catholic Conference, and one individual. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Department of Human Services, Hawaii Medical Service Association, and one individual.



Your Committees find that infertility is a medical condition that impairs and substantially limits an individual's major life activity of reproduction. This measure provides equality for all women who are diagnosed with infertility by requiring non-discriminatory coverage and ensuring quality of care in the diagnosis and treatment of infertility.

Your Committees have amended this measure by:

- (1) Removing the categorization of the in vitro fertilization coverage as a "lifetime" benefit;
- (2) Removing language in the purpose section regarding religious exemptions, as the exemption is not included or addressed in the measure; and
- (3) 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 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. 2909, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2909, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 4; Ayes with Reservations (Chun Oakland). Noes, 1 (Slom). Excused, none.

Commerce and Consumer Protection

Ayes, 4; Ayes with Reservations (Wakai). Noes, 1 (Slom). Excused, none.

**SCRep. 2329 Judiciary and Labor on S.B. No. 3099**

The purpose and intent of this measure is to:

- (1) Amend various sections of the Hawaii Revised Statutes, to require the conversion of civil service exempt positions to civil service positions to conform to Act 253, Session Laws of Hawaii 2000, and Act 300, Session Laws of Hawaii 2006; and
- (2) Require any civil service exempt position created after July 1, 2014, to expire after three years of its enactment unless affirmatively extended by the Legislature.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSME Local 152, AFL-CIO; Society of Hawaiian Archaeology; and three individuals. Testimony in opposition to this measure was submitted by the Department of Human Resources Development, Department of Commerce and Consumer Affairs, and Department of Land and Natural Resources.

Your Committee finds that inequities exist between civil service exempt employees and civil service employees. For example, exempt employees do not receive step movements in compensation, are precluded from earning overtime compensation, and are not protected from a reduction-in-force. The Department of Human Resources Development testified that a memorandum of agreement allows departments to provide their civil service exempt employees the option to convert their positions to civil service positions. However, the Hawaii Government Employees Association testified that this voluntary conversion process is not effective because the number of conversions over the past several years has been small. This measure mandates the conversion of exempt positions to civil service positions in several departments.

Your Committee recognizes the testimony submitted in opposition to this measure that the elimination of exempt positions may cause a number of valued employees to leave state employment because the resultant level of compensation will not be comparable to the compensation of similar positions in the private sector. Eliminating exempt positions may also pose difficulties in recruiting employees to fill positions that require specialized skills. Your Committee notes that there are several measures currently moving through the legislative process that require different departments to initiate the conversion of exempt positions to civil service positions. Thus, your Committee believes that it is more appropriate for each department to be discussed separately to uniquely consider the qualifications of the positions required to perform the functions of each department.

However, your Committee notes that the State Historic Preservation Division of the Department of Land and Natural Resources has begun to convert a number of its exempt positions to civil service positions, and your Committee believes that this conversion process should continue. The Hawaii Government Employees Association testified that conversion would affect approximately twenty to twenty-five positions. Your Committee further believes that the language requiring any civil service exempt position created after July 1, 2014, to expire after three years of its enactment unless affirmatively extended by the Legislature should be retained in this measure to discourage departments from creating additional civil service exempt positions.

Your Committee has amended this measure by:

- (1) Deleting all sections that require various departments to convert exempt positions to civil service positions, except for the sections that relate to:
  - (A) The State Historic Preservation Division of the Department of Land and Natural Resources; and
  - (B) The expiration of any civil service exempt positions created after July 1, 2014, unless affirmatively extended by the Legislature;
- (2) Inserting an effective date of July 1, 2050, to encourage 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3099, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Solomon, Slom). Noes, none. Excused, none.

**SCRep. 2330 (Joint) Higher Education and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2131**

The purpose and intent of this measure is to require the Board of Regents of the University of Hawaii (Board of Regents) to waive the nonresident tuition and fee differential for veterans of the United States Air Force, Army, Coast Guard, Marine Corps, and Navy, who were honorably discharged.

Your Committees received testimony in support of this measure from the University of Hawai'i System, The Chamber of Commerce of Hawaii, Hawai'i Alliance of Student Veterans, Young Democrats of Hawaii, Young Democrats of Maui County, and eleven individuals. Your Committees received comments on this measure from the Department of the Attorney General and one individual.

Your Committees find that this measure addresses an issue of statewide concern. The Board of Regents' current policies do not offer a waiver of the nonresident tuition differential to veterans who are honorably discharged from active duty within the State of Hawaii or for those veterans who want to come to the State to attend the University of Hawaii.

Your Committees further find that a number of states currently have laws that waive certain residency requirements to allow veterans to attend state universities in states other than their state of residency upon separating from the military. Allowing a waiver of the nonresident tuition differential to veterans will expand veterans' educational opportunities by allowing them to attend college within the University of Hawaii System at the resident tuition rate.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2131, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2131, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Slom).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 2331 Higher Education on S.B. No. 3106**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for various improvements to University of Hawaii facilities.

Your Committee received testimony in support of this measure from the University of Hawai'i System, University of Hawai'i at Manoa College of Engineering, KAI Hawaii, University of Hawai'i at Manoa Student Recreation Services, The Limtiaco Consulting Group, Associated Students of the University of Hawai'i at Manoa, and one individual.

Your Committee finds that this measure will address the need for repair and maintenance and other improvements to University of Hawaii facilities.

Your Committee has amended this measure by:

- (1) Amending the language authorizing the issuance of general obligation bonds and appropriation of funds for Item A, the Magoon Research Facility, by specifying that the purpose is for the plans and design for the construction of the Manoa Learning Exchange at the Magoon Research Facility;
- (2) Inserting the following appropriation amounts for the construction of the Manoa Learning Exchange at the Magoon Research Facility:
  - (A) \$1,100,000 for plans; and
  - (B) \$1,500,000 for design; and
- (3) Making a technical, nonsubstantive amendment 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 is in accord with the intent and purpose of S.B. No. 3106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3106, 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 (Kidani). Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 2332 Higher Education on S.B. No. 2326**

The purpose and intent of this measure is to prohibit the Board of Regents of the University of Hawaii (Board of Regents) from meeting in executive session for the purposes of reviewing the performance of or discussing the finalists to be hired for the University of Hawaii System President or campus Chancellors.

Your Committee received testimony in opposition to this measure from the University of Hawai'i System.

Your Committee finds that this measure seeks to ensure openness and accountability in reviewing the performance of or discussing the finalists to be hired for the University of Hawaii System President or campus Chancellors. However, your Committee recognizes the potential chilling effect of such open discussions regarding finalists to be hired as the University of Hawaii System President or a campus Chancellor on potential candidates for those positions.

Accordingly, your Committee has amended this measure by removing language prohibiting the Board of Regents from discussing in executive session the finalists to be hired as the University of Hawaii System President or a campus Chancellor.

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. 2326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2326, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 2333 Higher Education on S.B. No. 2905**

The purpose and intent of this measure is to appropriate funds to the Office of Student Equity, Excellence, and Diversity at the University of Hawaii at Manoa to fund five part-time graduate assistant and student employee (2.5 FTE) positions to conduct and disseminate research relating to Asian American and Pacific Islander students in higher education, and to provide direct services to undergraduate and graduate students interested in diversity careers in student affairs and higher education.

Your Committee received testimony in support of this measure from the University of Hawai'i System; Filipino American Citizens League; Filipino Coalition for Solidarity; National Federation of Filipino American Associations Region 12; Nursing Advocates and Mentors, Inc.; and fifteen individuals.

Your Committee finds that there is a need for research to address the underrepresentation of Asian Americans and Pacific Islanders in higher education institutions. This measure will provide the Office of Student Equity, Excellence, and Diversity at the University of Hawaii at Manoa with resources to support undergraduate and graduate students interested in diversity careers in student affairs and higher education.

If this measure is considered for passage by your Committee on Ways and Means, your Committee notes that the University of Hawaii has indicated the need for \$190,000 in funding.

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. 2905 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 (Ige, Kidani, Slom).

**SCRep. 2334 Higher Education on S.B. No. 3093**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii at Hilo to establish staff positions within the 'Imiloa Astronomy Center and support the University of Hawaii at Hilo's memorandum of understanding with the Revealing Individual Strengths for Excellence (RISE) 21st Century After School Program.

Your Committee received testimony in support of this measure from the University of Hawai'i at Hilo, Revealing Individual Strengths for Excellence 21st Century After School Program, and five individuals.

Your Committee finds that pursuant to S.C.R. No. 132, S.D. 1, Regular Session of 2013, the University of Hawaii at Hilo, through its 'Imiloa Astronomy Center and Division of Academic Affairs, entered into a memorandum of understanding with the RISE 21st Century After School Program, a program that helps underprivileged children of Hawaiian ancestry with life skills, achieving academic success, and career planning. This measure will provide funding and positions to support the University of Hawaii at Hilo's memorandum of understanding with RISE 21st Century After School 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 is in accord with the intent and purpose of S.B. No. 3093 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 (Ige, Kidani, Slom).

**SCRep. 2335 (Joint) Public Safety, Intergovernmental and Military Affairs and Health on S.B. No. 2350**

The purpose and intent of this measure is to clarify that the amounts received by a contractor of the patient-centered community care program for the costs or advancement to third party health care providers, pursuant to a contract with the United States Department of Veterans Affairs for the administration of the patient-centered community care program, are excluded from the state general excise tax.

Your Committees received testimony in support of this measure from the Department of Taxation and TriWest Healthcare Alliance Inc. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that there is a need to support health care administrators and to avoid increasing the costs of health care services delivered through the patient-centered community care program. It is necessary to clarify that the amounts received by a contractor of the patient-centered community care program are not subject to the state general excise tax.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2350, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2350, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

Health  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Nishihara).

**SCRep. 2336 (Joint) Public Safety, Intergovernmental and Military Affairs and Health and Human Services on S.B. No. 2603**

The purpose and intent of this measure is to address the shortage of long-term care beds and services available to qualified veterans by authorizing the issuance of general obligation bonds and appropriating funds, contingent upon the receipt of federal funds, for the construction of a one hundred seventy-three bed long-term care facility for veterans.

Your Committees received testimony in support of this measure from the Department of Defense State Civil Defense Division, State Office of Veterans Services, Hawaii Health Systems Corporation, Hawaii Health Systems Corporation Oahu Region, Healthcare Association of Hawaii, and four individuals.

Your Committees find that there is an increasing need for long-term care resources and services for our veterans. The State's veteran population is expected to continue to grow with the drawdown of troops in Iraq, the forthcoming pullout from Afghanistan, and more military members attaining veteran status. Even with the success of the Yukio Okutsu State Veterans Home in Hilo, a second facility is needed to address the serious shortfall of long-term care beds for veterans. This measure authorizes the issuance of general obligation bonds and appropriates funds for the construction of a second long-term care facility that will greatly expand access to quality long-term care for Hawaii's veterans.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs, Health, and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2603 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

Health  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Nishihara).

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Taniguchi).

**SCRep. 2337 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.B. No. 2936**

The purpose and intent of this measure is to require the Department of Public Safety to form a temporary working group to:

- (1) Analyze the Capitol District security infrastructure;
- (2) Develop a plan, including a timeline and funding requirements, to create an integrated camera surveillance system for the Capitol District; and
- (3) Provide a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

Your Committees received testimony in support of this measure from the Department of Public Safety, Department of Accounting and General Services, State Office of Information Management and Technology, and one individual.

Your Committees find that the current security systems in place for facilities in the Capitol District are generally not used to prevent criminal activity from occurring, but are rather a reactionary system. A working group will evaluate the Capitol District security infrastructure and develop a plan to create an integrated camera surveillance system to assist in the security of the historical Capitol District.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2936 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 2338 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2962**

The purpose and intent of this measure is to allow members of a county council to jointly attend any meetings or presentations without violating the Sunshine Law as long as the meeting or presentation is open to the public.

Your Committee received testimony in support of this measure from four individuals. Your Committee received testimony in opposition to this measure from the Office of Information Practices, League of Women Voters, and Common Cause Hawaii.

Your Committee finds that as elected officials, it is the job of county council members to find out how people in the community feel about policy issues and to become educated on those issues. However, under section 92-2.5(e), Hawaii Revised Statutes, if more than a quorum of county council members attend any meetings or presentations open to the public, they may be in violation of the Sunshine Law. This measure will increase communication between county council members and their constituents, while providing public protection against inadequate notice of discussions by county council members in which or by which people may be interested or affected.

Your Committee has amended this measure by deleting its contents and inserting language to:

- (1) Describe the legislature's findings and the purpose of the measure in accordance with the amendments;
- (2) Through June 30, 2018, allow any number of county council members to attend and hold a limited public meeting to discuss council business, as the guest of a board or community group holding its own meeting;
- (3) Provide that notice of the limited meeting meets the requirements of section 92-7, Hawaii Revised Statutes;
- (4) Require a board or community group that is subject to part I, chapter 92, Hawaii Revised Statutes, holding a meeting that a county council is attending, to meet the requirements of part I, chapter 92, Hawaii Revised Statutes;
- (5) Restrict limited meetings of a county council to no more than one per month for any one board or community group;
- (6) Require all limited meetings to be held in the State;
- (7) Provide that limited meetings shall not be held to circumvent part I, chapter 92; and
- (8) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2962, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 2339 Energy and Environment on S.B. No. 632**

The purpose and intent of this measure is to:

- (1) Establish environmental courts as divisions within the circuit courts to hear all proceedings, including certain chapter 91, Hawaii Revised Statutes, proceedings arising from environmental laws; and
- (2) Require the Judiciary to report to the Legislature on the total number of environmental-related cases filed in the last five years.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Americans for Democratic Action, Keep the Hawaiian Islands Beautiful, International Coastal Cleanup, Lani-Kailua Outdoor Circle, and sixteen individuals. Your Committee received testimony in opposition to this measure from the Building Industry Association of Hawaii and Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from the Judiciary and Office of Planning.

Your Committee finds that environmental disputes are currently dealt with in a variety of courts. This organizational structure inadvertently promotes inconsistent application of the wide variety of environmental laws. The continued maintenance and improvement of Hawaii's environment requires constant vigilance and continued stewardship to ensure its lasting beauty, cleanliness, and uniqueness and the stability of its natural systems, all of which enhance the mental and physical well-being of Hawaii's people.

Your Committee has amended this measure by:

- (1) Clarifying the exclusive jurisdiction of the environmental courts to include proceedings related to:
  - (A) Environmental response;
  - (B) Litter control;
  - (C) E-waste recycling;
  - (D) Solid waste;
  - (E) Safe drinking water;
  - (F) Air pollution control;

- (G) Ozone layer protection;
  - (H) Water pollution;
  - (I) Nonpoint source pollution;
  - (J) Noise pollution;
  - (K) Integrated waste management;
  - (L) Solid waste pollution;
  - (M) Special wastes recycling;
  - (N) Hazardous waste;
  - (O) Underground storage tanks;
  - (P) Asbestos and lead;
  - (Q) Environmental Impact Statements; and
  - (R) Uniform Environmental Covenants Act;
- (2) Amending the deadline by which the Judiciary is required to report findings to the Legislature to twenty days prior to the convening of the Regular Session of 2015;
  - (3) Clarifying that the term “environmental court”, or the like, shall be substituted in only the chapters in which the environmental courts have exclusive jurisdiction;
  - (4) Inserting an effective date of January 1, 2015, to give the Judiciary some time to implement this measure; and
  - (5) Making a technical, nonsubstantive amendment for the purposes of clarity 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 S.B. No. 632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 632, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2340 Energy and Environment on S.B. No. 2702**

The purpose and intent of this measure is to extend the authorization of the issuance of special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, for an additional five years for the purpose of design and construction of a seawater air conditioning district cooling system in downtown Honolulu.

Your Committee received testimony in support of this measure from Honolulu Seawater Air Conditioning and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the downtown Honolulu seawater air conditioning project will service approximately 14,000,000 square feet of downtown building space. In addition to the compelling environmental and renewal energy benefits associated with deep water cooling, the project will generate close to \$250,000,000 in construction spending and create more than 1,500 construction jobs from 2014 through 2016. This project will also establish Hawaii as a leading authority on the development and installation of seawater air conditioning systems throughout the Asia-Pacific region.

Your Committee has amended this measure by:

- (1) Deleting language that would have authorized the Department of Budget and Finance to issue special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, subsequent to June 30, 2019; and
- (2) Inserting an effective date of June 29, 2014.

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. 2702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2702, 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 (Ihara, Slom).

**SCRep. 2341 Energy and Environment on S.B. No. 2754**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Princeton Energy Group or a related special purpose entity with the financing of the planning, design, and construction of a renewable energy project with energy storage technology on the island of Molokai.

Your Committee received testimony in support of this measure from the Ulupono Initiative, Sierra Club of Hawaii, EnerVault, Royal Contracting Company, Molokai Ranch, Princeton Energy Group, and sixty-one individuals. Your Committee received testimony in opposition to this measure from I Aloha Molokai and one individual. Your Committee received comments on this measure from the Department of Budget and Finance, Maui County Mayor's Office, and one individual.

Your Committee finds that support for the development of renewable energy projects in Hawaii, which is geographically isolated from sources of oil, continues to be in the public interest. This is especially true given the high cost of electricity in Hawaii, particularly on the island of Molokai.

Your Committee further finds that Princeton Energy Group is engaged in the planning, design, and construction process to develop a multi-megawatt renewable energy project with energy storage technology near Kaunakakai to exclusively serve the island of Molokai. The issuance of special purpose revenue bonds and refunding special revenue bonds under this measure to assist Princeton Energy Group in the planning, design, and construction of its renewable energy project will make the development of such a project more economically feasible and provide numerous benefits.

Your Committee requests that the applicant of the special purpose revenue bonds submit to your Committee by April 11, 2014, copies of letters from the Department of Business, Economic Development, and Tourism and Department of Budget and Finance stating that the agencies have received and reviewed the applicant's business plan; provided that the agencies are not required to give approval or render a conclusion in the letter. Furthermore, your Committee urges the applicant to do further outreach with the community to share their plans.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage 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. 2754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2754, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2342 (Joint) Technology and the Arts and Commerce and Consumer Protection on S.B. No. 2791**

The purpose and intent of this measure is to address issues that have arisen due to the use of new technology by making the following criminal offenses applicable to electronic or digital statements, documents, or records:

- (1) Falsifying business records;
- (2) Obtaining a government-issued identification document under false pretenses in the first degree;
- (3) Obtaining a government-issued identification document under false pretenses in the second degree;
- (4) Tampering with a government record; and
- (5) Unsworn falsification to authorities.

Your Committees received testimony in support of this measure from the Department of the Attorney General.

Your Committees find that with current technology, many transactions are handled electronically and records are often kept in electronic or digital form. In 2000, Hawaii adopted the Uniform Electronic Transactions Act, chapter 489E, Hawaii Revised Statutes, to recognize the need to establish the legal validity of electronic records, signatures, and contracts. However, criminal offenses have not been updated to take into account the prevalent use of new technology and the consequent use of new technology to commit a variety of crimes. This measure protects consumers by making relevant criminal offenses applicable to electronic or digital statements, documents, or records.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts 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. 2791 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2343 Human Services on S.B. No. 2211**

The purpose and intent of this measure is to establish a five-year safe places for youth pilot program that will coordinate a network of safe places where youth can access safety and obtain advice, guidance, programs, and services.

Your Committee received testimony in support of this measure from the Office of Youth Services, Hawaii Youth Services Network, Partners in Care, Institute for Human Services, Planned Parenthood of Hawaii, Hale Kipa, Community Alliance for Mental Health, Blueprint for Change, Hawaii Interagency on Homelessness, and one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Hawaii Association for Justice.

Your Committee finds that, without safe places, Hawaii's youth who run away from violent homes or intolerable bullying at school are vulnerable and may be victimized by predatory adults who lure them into alcohol and substance abuse or prostitution. At the 2012 Children and Youth Summit, youth expressed that one of their highest priorities is to address the lack of safe places where they can have fun without the fear of being harassed, bullied, or pressured by other youth or adults. The youth expressed interest in being able to access youth-specific guidance and services, including counseling for suicide prevention, teen pregnancy prevention, tobacco cessation, and alcohol and substance abuse support.

Your Committee has heard the testimony of the Hawaii Association for Justice expressing concern that this measure does not encourage responsible behavior because it absolves providers who provide services to youth in safe places from liability for negligent acts. In response, the Office of Youth Services testified that it requires all providers of youth services to have extended liability insurance.

Your Committee has amended this measure by:

- (1) Clarifying that a provider's determination to provide services to a consenting minor after assessment is a determination that the minor does not pose a danger to the minor's self or to other persons at the safe place;
- (2) Adding language requiring that a minor be at least fourteen years of age to consent to the provider and related services at a safe place;
- (3) Amending the definition of "minor" or "youth" to mean a person less than eighteen years of age; and
- (4) Defining "young adult" to mean a person less than twenty-one years of age.

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. 2211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2211, 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 (Kidani, Slom).

**SCRep. 2344 (Majority) Transportation and International Affairs on S.B. No. 2731**

The purpose and intent of this measure is to establish a car-sharing vehicle surcharge tax.

Your Committee received testimony in support of this measure from the Department of Transportation, City and County of Honolulu Department of Planning and Permitting, City and County of Honolulu Department of Transportation Services, Car2Go, Ulupono Initiative, Hawaii Energy Policy Forum, and two individuals. Your Committee received testimony in opposition to this measure from Enterprise Rent-A-Car. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that car-sharing is a green transportation innovation that can significantly reduce vehicle miles traveled, oil imports, greenhouse gas emissions, and household transportation costs for Hawaii residents. Car-sharing is a fairly new transportation innovation in the United States that has emerged only in the last ten years. Unlike traditional car rentals, car-sharing is not aimed at tourists or individuals who are getting a personal vehicle repaired. Car-sharing is generally rented by the minute or by the hour, rather than by the day. Car-sharing members are persons who either cannot afford to or prefer not to own their own vehicles but occasionally need access to vehicles to run errands. Car-sharing enables them to enjoy the benefits of automobile access without the high fixed costs and other concerns that come with car ownership.

Your Committee has amended this measure by:

- (1) Making the surcharge tax pro rata on an hourly basis with a per day charge;
- (2) Exempting car-sharing organizations that are registered with the Director of Taxation and subject to the car-sharing vehicle surcharge tax from the rental motor vehicle surcharge tax and tour vehicle surcharge tax; 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2731, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Slom). Excused, 2 (Gabbard, Kouchi).

**SCRep. 2345 Transportation and International Affairs on S.B. No. 2898**

The purpose and intent of this measure is to amend or delete statutes containing federal commercial driver's licensing requirements that are addressed in Hawaii Administrative Rules.

Your Committee received testimony in support of this measure from the Department of Transportation, City and County of Honolulu Department of Customer Services, and Hawaii Transportation Association.

Your Committee finds that serious financial penalties can be incurred when a state does not comply with certain federal motor carrier safety regulations. Adopting these regulations by reference in administrative rules is expedient and ensures exact compliance. When placing these regulations in the Hawaii Revised Statutes, there is a possibility for noncompliance to result when numerous legislative measures are drafted and enacted.

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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2898, 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, 2 (Gabbard, Kouchi).



**SCRep. 2346 (Joint) Transportation and International Affairs and Higher Education on S.B. No. 3062**

The purpose and intent of this measure is to require the Department of Transportation and the University of Hawaii to complete negotiations and execute an agreement no later than July 1, 2015, to relocate the University of Hawaii Marine Center, and to terminate the current lease at that time if no agreement is reached.

Your Committees received testimony in support of this measure from the Department of Transportation and the Hawaii Harbors Users Group. Your Committees received testimony in opposition to this measure from the University of Hawai'i at Mānoa and one individual.

The University of Hawaii Marine Center comprises seventeen acres that include harbor frontage under a gratis lease with the Department of Transportation. Your Committees find that the land is essential to the development of the Kapalama containment terminal project. This area is the sole remaining harbor lands that can be redeveloped for maritime use to meet the current and future expansion demands to ensure and preserve Hawaii's economic prosperity and quality of life.

The Department of Transportation and University of Hawaii are currently operating under a long-term lease at gratis which has an unexpired term of twenty-four years. The Department has previously committed to extending the lease terms to thirty-five years. However, if the relocation negotiations for the University of Hawaii Marine Center that have taken place over the past seven years are amicably resolved for both parties, then the Department would be willing to cancel the lease. H.C.R. No. 266, H.D. 1, Regular Session of 2006, which was adopted by both houses, requested the Department of Transportation and the University of Hawaii "to collaborate, on a priority basis, to effectuate the relocation of UH Marine Center". The Department is currently planning and designing a new terminal facility for the site and has incurred costly expenses associated with plans and design. Meanwhile, the Department has agreed to fund \$17,000,000 for the relocation of the Marine Center.

Your Committees understand that both parties are negotiating in earnest at the present time to come to an agreement. Your Committees intend that those negotiations continue and are hopeful that an agreement can be consummated soon.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3062 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.

Transportation and International Affairs  
Ayes, 7. Noes, none. Excused, 2 (Espero, Gabbard).

Higher Education  
Ayes, 6. Noes, none. Excused, 1 (Ige).

**SCRep. 2347 (Joint/Majority) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2324**

The purpose and intent of this measure is to establish an annual electric vehicle user fee, fifty percent of which shall be deposited in the state highway fund and fifty percent of which shall be deposited in the appropriate county highway fund.

Your Committees received testimony in support of this measure from the Department of Transportation. Your Committees received testimony in opposition to this measure from two individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Customer Services of the City and County of Honolulu; EAN Holdings, LLC; and Tax Foundation of Hawaii.

Your Committees find that taxes on gasoline and diesel fuels are currently one of the main means of funding the repair and maintenance of state and county roadways in the State. For example, the owner of a vehicle in the City and County of Honolulu that drives 12,500 miles per year at thirty miles per gallon of fuel will pay approximately \$140 in combined state and county fuel taxes. On the other hand, owners of electric vehicles pay substantially less in taxes than owners of conventional gasoline and diesel vehicles because they do not need to purchase liquid fuel for their vehicles, yet electric vehicles also contribute to wear and tear of state and county roads.

As technological advances improve the fuel economy of all motor vehicles, it will be necessary to establish a vehicle miles-traveled tax to replace the liquid fuel tax. In the interest of fairness, your Committees believe it is appropriate to create an electric vehicle user fee to offset the difference in taxes as an interim measure until a suitable mechanism for collecting a vehicle miles-traveled tax can be implemented.

Your Committees have amended this measure by:

- (1) Requiring that the electric vehicle user fee be deposited entirely into the state highway fund;
- (2) Authorizing lessors of rental motor vehicles to pass on a portion of the electric vehicle user fee actually paid on the vehicle being rented to a lessee; and
- (3) 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 Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2324, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2324, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 7. Noes, 1 (Slom). Excused, 1 (Gabbard).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 2348 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2329**

The purpose and intent of this measure is to clarify that minors who apply for a provisional license or driver's license may have requirements waived if a substantially similar requirement has been met in another state.

Your Committees received testimony in support of this measure from the Department of Transportation and two individuals. Your Committees received testimony in opposition to this measure from Mothers Against Drunk Driving Hawaii and the State Highway Safety Council. Your Committees received comments on this measure from the City and County of Honolulu, Department of Customer Services.

Your Committees find that every state has enacted provisional driver's license laws. Fairness dictates that full faith and credit be given to other states' laws that are comparable to our own laws.

Your Committees have amended this measure by deleting its contents and inserting language that:

- (1) Amends section 286-108(c), Hawaii Revised Statutes, relating to waiving an actual demonstration of ability to operate a motor vehicle, on the recommendation of the Department of Transportation;
- (2) Requires the Department of Transportation to implement this measure immediately upon approval without the necessity of completing the adoption of administrative rules so that the administrative rules do not delay the implementation of this measure; and
- (3) Makes technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2329, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2329, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Gabbard).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 2349 (Joint) Water and Land and Judiciary and Labor on S.B. No. 2248**

The purpose and intent of this measure is to make permanent Act 82, Session Laws of Hawaii 2003, as amended (Act 82), relating to the limitations of liability for public entities based on the duty to warn of dangers on public lands.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of the Attorney General, Department of the Corporation Counsel of the City and County of Honolulu, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committees find that since the passage of legislation in the form of Act 82 and in the ensuing eleven years, the Department of Land and Natural Resources has initiated a comprehensive sign program that is deployed statewide in public recreational areas associated with parks and wilderness trails. These actions have resulted in a variety of critical outcomes and now institutionalized management practices. The public has become accustomed to seeing the uniform, standard signs warning of potential exposure to hazardous natural conditions at managed trailheads and park entrances, in addition to at the actual point of exposure.

This sign program strikes the balance between the government's duty to warn and the public's responsibility to heed that warning and make an informed choice, before engaging in recreational activity.

Your Committees have amended this measure by:

- (1) On the recommendation of the Attorney General, deleting its contents and inserting the contents of S.B. No. 1007, S.D. 2, Proposed H.D. 1 (Regular Session of 2014), which makes Act 82 permanent and additionally extends the conclusive presumption of signage as legally adequate warning of dangerous non-natural conditions on unimproved public lands; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2248, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2248, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land  
Ayes, 6; Ayes with Reservations (Shimabukuro). Noes, none. Excused, 3 (Dela Cruz, Galuteria, Taniguchi).

Judiciary and Labor  
Ayes, 5; Ayes with Reservations (Shimabukuro). Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 2350 (Joint) Water and Land and Transportation and International Affairs on S.B. No. 3035**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for planning and construction of the Laniakea state wayside park on the North Shore of Oahu.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Surfriider Foundation, Kamehameha Schools, and nine individuals.

Your Committees find that beach-front construction, land reclamation, and increased tourism are examples of actions that continue to negatively affect Laniakea Beach on the North Shore of Oahu. Your Committees are particularly concerned about the erosion of the shoreline of Laniakea Beach. Your Committees believe that an emergency situation exists on Laniakea Beach as a result of recent high surf, high wind, and drenching rain, as revetments and beach hardening measures are failing to protect the North Shore. Your Committees also find that this problem is not limited to Oahu's North Shore and is of statewide concern. As far as Oahu is concerned, the Department of Transportation needs to place Kamehameha Highway back onto the Hawaii Statewide Transportation Improvement program as the first step to make improvements to the highway a priority. The Hawaii Statewide Transportation Improvement program provides a multi-year listing of state and county projects and identifies those projects slated for federal funding. It is a multi-modal transportation improvement program that is developed utilizing existing transportation plans and policies and current highway, transit, and transportation programming processes. The program delineates the funding categories and the federal and local share required for each project. The program is operated in cooperation with the Oahu Metropolitan Planning Organization.

Your Committees find that although the proposed Laniakea state wayside park is largely independent of the realignment of Kamehameha Highway at Laniakea Beach, the Department of Transportation should plan for the creation of the Laniakea state wayside park and work the park into its realignment plans if possible. Your Committees agree with the testimony of the Department of Transportation, which states, "After the actions associated with roadway alignment and disposition are confirmed and initiated, there could be meaningful discussion between the Department, the Fish and Wildlife Service, and the City and County of Honolulu on the best management policy and infrastructure to enhance protection of the Hawaii green sea turtle and service the public in its desire to view and experience this popular species."

Your Committees note the testimony of the Kamehameha Schools that it will cooperate with the Department of Transportation in planning for and realigning Kamehameha Highway as well as the development of a Laniakea state wayside park.

Your Committees have amended this measure by:

- (1) Deleting sections 1, 2, and 4, which reference Laniakea state wayside park;
- (2) Adding an appropriate purpose section;
- (3) Adding language to authorize the issuance of general obligation bonds and appropriate funds to the Department of Transportation to plan for and realign Kamehameha Highway mauka of Laniakea Beach on the North Shore of Oahu; and
- (4) 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 Water and Land and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3035, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3035, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Taniguchi, Thielen, Slom).

Transportation and International Affairs

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Slom).

**SCRep. 2351 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2274**

The purpose and intent of this measure is to promote the Hawaii 2050 sustainability plan and ensure the development of innovative, responsible, and sustainable practices that are vital to Hawaii's future by establishing a sustainable living research permit.

Your Committees received testimony in support of this measure from the Hawaii Sustainable Community Alliance and six individuals. Your Committees received comments on this measure from the Department of Agriculture and one individual.

Your Committees find that populations are increasing while resources are decreasing. The result is a need for more sustainable and environmentally appropriate living. Sustainable and environmentally appropriate living is presently inhibited due to zoning regulations that control and regulate conventional development. Some innovations for more sustainable development can only be researched and tested from outside the confines of our existing mechanisms.

The short-range goal of sustainable research sites is to develop sustainable resources and practices such as community resource sharing, natural or recycled building materials, thermal and solar heating or cooling systems, renewable power generation, water harvesting, contained sewage treatment systems, and food production. The long-term goal of these sites is to develop research that will contribute to emergency preparedness development in Hawaii and to further the intentions of the Hawaii 2050 sustainability plan.

Your Committees note the concerns expressed by the Department of Agriculture that while it supports efforts to increase food production and promote agricultural education, the Department is uncertain as to the role and magnitude that agricultural activities and uses will have in these "sustainable living research sites". The Department's concern is that these sites may evolve into urban-like areas over time. The Department recommends that the counties, as they develop their ordinances and rules for sustainable living

research site permits, carefully scrutinize land uses and activities proposed in this measure that are not specifically related to agricultural production and activities.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2274 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.

Water and Land

Ayes, 6; Ayes with Reservations (Ihara). Noes, none. Excused, 3 (Dela Cruz, Shimabukuro, Taniguchi).

Public Safety, Intergovernmental and Military Affairs

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Green).

**SCRep. 2352 Human Services on S.B. No. 2800**

The purpose and intent of this measure is to ensure that the hula mae multifamily bond program can continue to finance the development and preservation of affordable rental housing in future years by increasing the hula mae multifamily revenue bond authorization to \$1,000,000,000.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and Hawaii Association of REALTORS.

Your Committee finds that the housing loan and mortgage program, commonly known as the hula mae multifamily revenue bond program, is one effective way to address the affordable housing crisis that continues to plague the State. Since its inception, the hula mae multifamily program has provided \$418,244,699 in revenue bond proceeds to assist in the financing of 3,172 units statewide. Your Committee finds that there is a need for increased revenue bond authorization for this program. In 2013, the total dollar value of requests for hula mae multifamily financing exceeded the balance amount.

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. 2800 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 (Green, Taniguchi).

**SCRep. 2353 Human Services on S.B. No. 2206**

The purpose and intent of this measure is to provide relief for low-income individuals by:

- (1) Establishing a state earned income tax credit and low-income tax credit; and
- (2) Updating the low-income household renters credit and the refundable food/excise tax credit.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaii State Commission on the Status of Women, Aloha United Way, Americans for Democratic Action, Catholic Charities Hawaii, Hawaii Alliance for Community-Based Economic Development, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Catholic Conference, Hawaii Primary Care Association, Hawaii State Democratic Women's Caucus, Helping Hands Hawaii, League of Women Voters, National Community Tax Coalition, Partners in Care, PHOCUSED, UNITE HERE Local 5 Hawaii, International Longshore and Warehouse Union Local 142 Hawaii, and five individuals. Your Committee received comments on this measure from the Department of Taxation, Department of the Attorney General, and Tax Foundation of Hawaii.

Your Committee finds that it is important to provide relief for Hawaii's working and low-income individuals and families, as Hawaii is one of the poorest states in the nation, has an extremely high cost of living, and taxes the low-income population heavily compared to other states. Your Committee recognizes the concerns expressed about this measure, including the difficulty of enforcement and the unknown revenue loss that the measure would cost the State.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language to:

- (1) Provide a general excise tax exemption for food; and
- (2) Insert an effective date of July 1, 2050, to encourage 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. 2206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2206, 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 (Taniguchi).

**SCRep. 2354 Judiciary and Labor on S.B. No. 2959**

The purpose and intent of this measure is to prohibit nepotism in state government by:

- (1) Prohibiting a public official or public employee from appointing, employing, promoting, or advancing a relative within an agency over which the public official or public employee exercises control or the relative of another public official or employee employed by or exercising control over the same agency except under circumstances where the relative is highly qualified;

- (2) Prohibiting legislators from appointing, employing, or voting to confirm a relative;
- (3) Establishing that if a public official recommends a relative or refers a relative for consideration by a public official or public employee standing lower in the chain of command, then it is presumed that the public official or public employee advocated for the appointment, employment, promotion, or advancement of the relative;
- (4) Creating definitions of “agency”, “chain of command”, “public employee”, “public official”, and “relative”; and
- (5) Making the prohibition on nepotism applicable to justices and judges.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, Common Cause Hawaii, and one individual. Testimony in opposition to this measure was submitted by the Department of Human Resources Development.

Your Committee finds that this measure addresses the lack of laws prohibiting nepotism in state government hiring practices. Nepotism causes the appearance of favoritism and preferential treatment that erodes public confidence in government.

Your Committee recognizes the concerns raised by the Department of Human Resources Development that the language in this measure fails to adequately recognize the broad and extended relationships within Hawaii’s unique community, which extend beyond blood relationships or relationships by marriage. The Department also testified to your Committee that implementing this measure may conflict with existing hiring procedures and employment laws and deter the recruitment of qualified employees. However, your Committee asserts that the intended focus of this measure is to prohibit a public official or public employee who is authorized to hire from appointing, employing, promoting, or advancing a relative or recommending to another person to hire the public official’s or public employee’s relative. This measure is not intended to discourage relatives of public officials or public employees from applying for jobs in the same agency in which the public official or public employee is employed.

Additionally, the Hawaii State Ethics Commission raised concerns that the language in this measure is too broad and may pose enforcement problems for the Commission. The Commission suggested language from S.B. No. 434 (2013), which prohibits a legislator or public employee from naming, appointing, or hiring a relative to public office or employment. The Commission explained that this language is narrower than the language in this measure and is clearer, is easier to enforce, and addresses what the Commission understands to be the most common instances of nepotism that may be occurring in state employment. The Commission further suggested language that provides an exception for the temporary employment of a relative in the event of an emergency, such as a natural disaster.

Accordingly, your Committee has amended this measure by adopting the language suggested by the Hawaii State Ethics Commission to delete the contents of this measure and:

- (1) Insert language from S.B. No. 434 (2013), that prohibits a legislator or public employee from naming, appointing, or hiring a relative to public office or employment and amends this language further to:
  - (A) Clarify that a legislator or employee is prohibited from advocating for, employing, promoting, supervising, or advancing any relative to public office or employment; and
  - (B) Add reciprocal beneficiaries to the list of relationships that qualify as a legislator’s or employee’s relative;
- (2) Insert language that allows the Director of Human Resources Development, Administrative Director of the Courts, and Senate President and Speaker of the House of Representatives to prescribe rules for each respective branch or house for the temporary employment of relatives in the event of any emergency as a result of a natural disaster or similar unforeseen event or circumstance; and
- (3) Insert an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2959, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2959, 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 (Solomon).

#### **SCRep. 2355 Transportation and International Affairs on S.B. No. 2901**

The purpose and intent of this measure is to amend or delete any statutes or provisions containing federal requirements that are currently addressed in Hawaii Administrative Rules or otherwise deemed unnecessary.

Your Committee received testimony in support of this measure from the Department of Transportation and the Hawaii Transportation Association.

Your Committee finds that serious financial penalties can be incurred when a state does not comply with certain federal motor carrier safety regulations. Adopting these regulations by reference in administrative rules is expedient and ensures exact compliance. When placing these regulations in the Hawaii Revised Statutes, there is a possibility for noncompliance to result when numerous legislative measures are drafted and enacted. To ensure exact compliance and avoid the possibility of a contradiction between rules and statutes, the Department recommends deleting statutes and provisions of the statutes whenever they are addressed in administrative rules or otherwise deemed unnecessary.

Your Committee has amended this measure by:

- (1) On the recommendation of the Department of Transportation to bring the State into compliance as soon as possible with federal mandates, retaining section 286-202.6, Hawaii Revised Statutes, and making amendments to subsection (a) to conform to federal regulations; and

- (2) 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2901, 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, 2 (Gabbard, Kouchi).

**SCRep. 2356 (Majority) Commerce and Consumer Protection on S.B. No. 3041**

The purpose and intent of this measure is to apply a reduced gallonage tax on draft beer and beer other than draft beer brewed or produced by a small brewery or brewpub, still wine and sparkling wine produced by a small winery, and distilled spirits produced by a small manufacturer.

Your Committee received testimony in support of this measure from Manulele Distillers, LLC; Island Distillers; Haleakala Distillers; Maui Brewing Co.; and two individuals. Your Committee received testimony in opposition to this measure from the Wine Institute and Anheuser Busch Companies, LLC. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that Hawaii has extremely high costs of production and some of the highest liquor taxes in the nation, which act as a disincentive to manufacturing in the State and hinder competitive capability. Your Committee further finds that this measure is intended to support the growing craft beverage industry in Hawaii, promote manufacturing jobs, and encourage the growth of small businesses.

Your Committee has heard the concerns that, depending on the gallonage limit defining a small winery, the tax reductions in this measure could have a significant negative impact on state revenue, as over ninety percent of wineries in the country produce less than fifty thousand cases of wine a year. Your Committee understands these concerns and notes that amending the application of the small winery and small manufacturer tax rates proposed by this measure to apply to state-based small wineries and small manufacturers may raise constitutional concerns. In light of these concerns, your Committee finds that this measure should be narrowed to apply only to small breweries or brewpubs.

Your Committee has also heard the concerns that the proposed new tax rate for small breweries and brewpubs gives an unfair advantage over larger brewers that are taxed at a current rate of 93 cents per wine gallon on beer other than draft beer. It is your Committee's understanding that the federal government provides a lower tax rate for small breweries and brewpubs, although the federal rate is not as low as the rate proposed by this measure. Your Committee finds that a tax rate for small breweries or brewpubs that is approximately fifty percent less than the existing rate for beer other than draft beer is more appropriate than the 23 cents per wine gallon tax proposed by this measure.

Accordingly, your Committee has amended this measure by:

- (1) Deleting definitions for "small manufacturer" and "small winery";
- (2) Establishing a tax rate of 47 cents, rather than 23 cents, per wine gallon on draft beer and beer other than draft beer that are brewed or produced by a small brewery or brewpub;
- (3) Deleting language that would have established a tax rate of 59 cents per wine gallon on still wine and sparkling wine produced by a small winery and a tax rate of \$2.57 per wine gallon on distilled spirits produced by a small manufacturer;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3041, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Nishihara, Wakai).

**SCRep. 2357 (Majority) Commerce and Consumer Protection on S.B. No. 3050**

The purpose and intent of this measure is to:

- (1) Establish the Hawaii health connector sustainability trust account; and
- (2) Authorize the Insurance Commissioner to levy a Hawaii health connector sustainability fee on all issuers selling plans inside and outside the Hawaii health insurance exchange.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association. Your Committee received comments on this measure from the Office of the Governor, Hawai'i Health Connector, Hawai'i Primary Care Association, American Family Life Assurance Company of Columbus, The Chamber of Commerce of Hawaii, AARP, and Tax Foundation of Hawaii.

Your Committee finds that the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) mandates state health insurance exchanges to be self-sustaining beginning in January 2015. This measure attempts to create a sustainable funding method for Hawaii's health insurance exchange by imposing an assessment based on the number of individuals covered by each insurer. Your Committee further finds that a fee based on premiums would better accommodate cost inflation over time, rather than a fee based on covered lives.

Your Committee additionally finds that it should be clarified in statute that the Hawaii Health Connector is the designated State of Hawaii health insurance exchange for purposes of the Affordable Care Act. This will address any constitutional concerns that might be raised under article VII, section 4, of the Hawaii State Constitution, relating to appropriations of public monies to private parties.

Your Committee also finds that it would be more appropriate to establish a funding mechanism for Hawaii Health Connector sustainability within chapter 435H, Hawaii Revised Statutes, relating to the Hawaii health insurance exchange, rather than establishing a new section within article 2 of the Insurance Code. Your Committee concludes that a surcharge collected by the Insurance Commissioner and appropriated to the Hawaii Health Connector by the Legislature, pursuant to a fully documented budget request, will help ensure accountability and transparency of the Hawaii Health Connector as the Connector moves toward its goal of long-term sustainability.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have established the Hawaii health connector sustainability trust account within the compliance resolution fund and would have authorized the Insurance Commissioner to levy a Hawaii health connector sustainability fee on all issuers selling plans inside and outside of the Hawaii health insurance exchange;
- (2) Establishing the Hawaii health insurance exchange special fund, administered by the Department of Commerce and Consumer Affairs, to be used for the financial support of the Hawaii health insurance exchange and to ensure the sustainability of the Hawaii health insurance exchange;
- (3) Beginning January 1, 2015, assessing a Hawaii health insurance exchange surcharge of .345 percent of the premiums derived from the sale of comprehensive medical insurance plans, including dental plans, in the State, to be deposited into the Hawaii health insurance exchange special fund;
- (4) Requiring the Board of Directors of the Hawaii Health Connector to prepare and submit to the Legislature a fully documented biennial budget request for the Connector;
- (5) Annually appropriating the funds collected from the Hawaii health insurance exchange surcharge to the Hawaii health insurance exchange, pursuant to the documented budget request demonstrating the need for and use of the surcharge for Hawaii Health Connector sustainability;
- (6) Specifying that not more than \$15,000,000 shall be allocated to the Hawaii health insurance exchange in any calendar year, but providing that the Legislature may increase this ceiling through adoption of a subsequent budget request from the Hawaii Health connector;
- (7) Clarifying the status of the Hawaii Health Connector as the designated health insurance exchange for the State;
- (8) Clarifying that the Hawaii Health Connector must submit the results of the Connector's annual audit to the Legislature;
- (9) Specifying that funding for the Hawaii Health Connector may include appropriations from the Legislature via the Hawaii health insurance exchange surcharge, but noting that the current two percent surcharge authorized by the Connector shall cease to be collected once the Hawaii health insurance exchange surcharge is instituted;
- (10) Amending the purpose section for clarity; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that because this measure assesses a surcharge on all comprehensive medical plans in the State, more plans and individuals are covered under the surcharge. The result is a much lower surcharge than the two percent surcharge currently levied by the Hawaii Health Connector and a level playing field that promotes competition and ensures equity amongst health insurance issuers. This amended measure also promotes additional accountability and transparency for the Hawaii Health Connector.

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. 3050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3050, 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 (Nishihara, Wakai). Noes, 1 (Slom). Excused, 1 (Taniguchi).

**SCRep. 2358 (Majority) Commerce and Consumer Protection on S.B. No. 2376**

The purpose and intent of this measure is to prohibit advertisements for massage, relaxation, spa, escort, or body rubs from including certain types of pictures and referring to the personal physical qualities of a person other than the hands, wrists, and forearms.

Your Committee received testimony in support of this measure from The Pacific Alliance to Stop Slavery; IMUAlliance; The Wayne Foundation, Inc.; Courage Worldwide Hawaii; and fifteen individuals. Your Committee received comments on this measure from the Board of Massage Therapy.

Your Committee finds that in today's world, the Internet has become the predominant vehicle for advertising black market services, including sex-trafficking. Your Committee further finds that approximately three hundred advertisements publicizing Hawaii-based prostitution are posted online every day. This measure addresses this troubling problem by prohibiting certain references in advertisements for massage, relaxation, spa, escort services, and body rubs and targeting the third-party publishers or producers of these advertisements.

However, your Committee has heard the concerns that this measure contains language that is very similar to certain paragraphs in section 452-23(a), Hawaii Revised Statutes. In 1998, the Department of the Attorney General opined that language in section 452-

23(a), Hawaii Revised Statutes, was overly broad and infringed upon commercial speech rights afforded by the First Amendment. Amendments are therefore necessary to narrow the restrictions imposed under this measure.

Accordingly, your Committee has amended this measure by:

- (1) Prohibiting advertisements or directories that include images depicting any person being advertised as a massage therapist, relaxation therapist, or escort in a nude or semi-nude condition, rather than prohibiting pictures depicting any personal physical qualities other than the hands, wrists, and forearms of a person advertised as a massage therapist or relaxation therapist;
- (2) Prohibiting advertisements that refer to the intimate areas of persons advertised as a massage therapist, relaxation therapist, or escort, rather than prohibiting advertisements that refer to any personal physical qualities of these persons;
- (3) Prohibiting publishers or producers of advertising mediums from publishing or broadcasting advertisements or listings for escorts or escort services that do not comply with the requirements of this measure;
- (4) Specifying that publishers or producers who obtain an agreement from an escort that the escort will not advertise in violation of state or federal law are entitled to a rebuttable presumption of compliance;
- (5) Inserting the new definitions proposed by this measure into section 712-1210, Hawaii Revised Statutes, rather than a new section under part II, chapter 712, Hawaii Revised Statutes;
- (6) Adding definitions of “escort”, “escort service”, “intimate areas”, and “semi-nude”;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the restrictions in this amended measure have been narrowed in an attempt to address First Amendment commercial free speech rights. Your Committee acknowledges that the Department of the Attorney General may still have constitutional concerns regarding this amended measure and therefore requests your Committee on Judiciary and Labor to further examine this issue.

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. 2376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2376, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Taniguchi).

**SCRep. 2359 (Joint) Human Services and Economic Development, Government Operations and Housing on S.B. No. 2539**

The purpose and intent of this measure is to authorize the Hawaii Community Development Authority to sell or assign fee simple interest in certain Kakaako Community Development District lands with respect to reserved housing, without legislative approval, under certain conditions, and to fee simple interest to eligible owners.

Your Committees received testimony in support of this measure from Kakaako United, Community Alliance for Mental Health, and one individual. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs and two individuals. Your Committees received comments on this measure from the Hawaii Community Development Authority.

Your Committees find that one part of a larger solution to affordable housing is allowing the Hawaii Community Development Authority to sell reserved housing without legislative approval and in fee simple under certain conditions. The intent of this measure is to allow expeditious turnaround by the Authority of reserved housing and to ensure that housing remains affordable for low-income or reserved housing income levels. Your Committees heard testimony expressing concern about the buy-back terms and the provision that requires the reserved housing to remain affordable in perpetuity. Your Committees believe that the buy-back period should be ten years instead of five years, and that this measure deserves additional exploration.

Your Committees have amended this measure by:

- (1) Adding language with respect to reserved housing that references the Hawaii Community Development Authority to more accurately reflect the title of the measure;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) 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 Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2539, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2539, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Taniguchi).

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, English, Wakai).



**SCRep. 2360 Transportation and International Affairs on S.B. No. 2902**

The purpose and intent of this measure is to expand the authority of the Director of Transportation over required motor vehicle and motor carrier vehicle inspections in the State.

Your Committee received testimony in support of this measure from the Department of Transportation, City and County of Honolulu Department of Customer Services, Hawaii Transportation Association, and Motor and Equipment Manufacturers Association.

Your Committee finds that as time passes, the need to upgrade the methods and procedures of state motor vehicle and motor carrier vehicle inspections arises. The current system of making changes to the inspection programs is inefficient, as a measure needs to be introduced in the Legislature every time a change in inspection fees is required.

In addition to authorizing the Director of Transportation to establish inspection-related fees and costs by administrative rule, rather than setting the fees and costs in statute, this measure also deletes the requirement for insurance information, except the expiration date, to be placed on an inspection certificate. With the implementation of an electronic inspection form program, digital images of insurance cards can be made and stored by inspection stations. The image can easily be retrieved if an inspector is suspected of not checking the card or accepting a fraudulent card. Putting only the expiration date on the inspection certificate will minimize the data entry required by inspectors while providing the most important data on the certificate.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2902 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, 2 (Gabbard, Kouchi).

**SCRep. 2361 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2944**

The purpose and intent of this measure is to authorize counties to issue permits for educational retreats to benefit local residents and provide various instructional programs, including programs related to nature, culture, wellness, and sustainable living.

Your Committee received testimony in support of this measure from Kalani Honua, Kalani Oceanside Retreat, and three individuals. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that educational retreats that provide various instructional programs help communities by increasing food production and building sustainable rural economies. These educational retreats provide for a community's needs for energy, employment opportunities, education, recreation, safety, supplies, and services. Accordingly, this measure expands and furthers educational retreat properties, programs, and facilities by creating the Kupuna Retreat Education Act for Teaching Ecology and providing counties with the authority to issue educational retreat permits.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2944 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2362 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2597**

The purpose and intent of this measure is to appropriate funds for the planning, design, and construction of a memorial honoring the veterans of the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, Operation New Dawn, Global War on Terrorism, Homeland Defense, and Operation Noble Eagle, and those who have protected our borders by land, sea, and air and replicas on each neighbor island.

Your Committee received testimony in support of this measure from the Department of Defense State Civil Defense Division; State Office of Veterans Services; MOAA Hawaii Chapter; Military Officers Association of America, Hawaii Chapter; and four individuals.

Your Committee finds that the Legislature enacted Act 139, Session Laws of Hawaii 2013, directing the development of a plan to establish a war memorial. Consequently, the Gulf War Memorial task force collected data and proposed site selection for the memorial. Accordingly, this measure appropriates the funds to build and establish a memorial and replica memorials on each neighbor island, as recommended by the Gulf War Memorial task force.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2597 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 (Galuteria, Green).

**SCRep. 2363 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2270**

The purpose and intent of this measure is to confer upon a property owner a private right of action to file suit directly in circuit court to enforce zoning violations on neighboring properties that directly affect them.

Your Committee received testimony in support of this measure from two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association of REALTORS.

Your Committee finds that counties may not be able to take action to investigate and enforce every operation that violates county zoning ordinances. The lack of enforcement of zoning laws imposes a burden on neighboring property owners, which is an unfair imposition on their quality of life. This measure seeks to improve the application of section 46-4, Hawaii Revised Statutes, and provide aggrieved property owners with a private right of action to enforce zoning violations in court, without having to wait until relevant issues are resolved by an administrative body first or exhaust administrative remedies first.

Your Committee has amended this measure by inserting an effective date of July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2270, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 2364 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2897**

The purpose and intent of this measure is to:

- (1) Clarify that Department of Taxation criminal investigators who are subject to civil service laws, also have police powers; and
- (2) Provide that the civil service exemption for criminal investigators is discretionary, rather than mandatory.

Your Committee received testimony in support of this measure from the Department of Taxation and Hawaii Government Employees Association. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that section 231-4.3, Hawaii Revised Statutes, only grants police powers to civil service exempt criminal investigators. However, the Department of Taxation's criminal investigation unit supervisor is a civil service employee. This measure clarifies that all of the Department's criminal investigators, including those who are civil service employees, have police powers.

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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2897, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 2365 (Joint/Majority) Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs on S.B. No. 2935**

The purpose and intent of this measure is to:

- (1) Specify the acceptable identifying documents that driver's license applicants may produce to obtain a license if they are ineligible to receive a social security number; and
- (2) Authorize the Examiner of Drivers to license applicants who produce these documents.

Your Committees received testimony in support of this measure from the Department of Human Services; Community Alliance on Prisons; UNITE HERE Local 5; Hawaii Catholic Conference; Catholic Charities Hawaii; Hawaii Appleseed Center for Law and Economic Justice; HawaiiPacific.org; PHOCUSED; Women Helping Women; Hawaii Conference of the United Church of Christ; Waikiki Health; Hawaii Coalition for Immigration Reform; American Immigration Lawyers Association-Hawaii Chapter; Immigrant Services Division of Maui County; and seven individuals. Your Committees received testimony in opposition to this measure from the Department of Customer Services of the City and County of Honolulu; Department of the Prosecuting Attorney, County of Maui; Honolulu Police Department; Maui Police Department; and Hawaii Police Department. Your Committees received comments on this measure from the Department of Transportation, Hawaii Civil Rights Commission, and Hawaii Insurers Council.

Your Committees find that under sections 286-111(d) and (e), Hawaii Revised Statutes, a driver's license applicant must furnish a social security number or, in the alternative, provide a letter from the Social Security Administration stating that the applicant is not eligible to receive a social security number. Those requirements mean that many people cannot immediately apply for a driver's license, including some immigrants. Many of Hawaii's low-income families have an undocumented adult family member who is unable to safely and legally assist in driving and transporting other family members to work, school, or the grocery store, or in responding to emergencies. This measure will increase access to driver's licenses and ensure that Hawaii's roads are safer by requiring all drivers to pass a written test and driving test on the rules of the road.

Your Committees have amended this measure by deleting its contents and inserting language to:

- (1) Establish a new section in chapter 286, Hawaii Revised Statutes, to allow the Examiner of Drivers to issue driver's licenses or instruction permits with a unique identifier to individuals who are unable to submit proof that their presence in the United States is authorized under federal law, if certain criteria are met;
- (2) Provide the Director of Transportation with authority to adopt rules to carry out the purposes of the new section in chapter 286, Hawaii Revised Statutes;

- (3) Require the Examiner of Drivers to accept various types of documentation as proof of a person's identity and Hawaii residency;
- (4) Require driver's licenses and instruction permits with a unique identifier to be clearly distinguishable from the Hawaii driver's licenses and instruction permits and to be used solely for driving;
- (5) Require the Examiner of Drivers to modify a driver's license with a unique identifier if the United States Department of Homeland Security determines that a driver's license issued pursuant to this measure does not satisfy federal requirements;
- (6) Establish that the inability to obtain a driver's license pursuant to this measure does not negate the legal requirement of every driver in this State to obey the motor vehicle laws;
- (7) Make it a violation to discriminate against individuals simply because they have a driver's license with a unique identifier;
- (8) Restrict information collected pursuant to this measure from being a part of the public record or disclosed by the Examiner of Drivers, except as provided by law;
- (9) Specify that driver's licenses with a unique identifier may not be used to determine a person's citizenship or immigration status as a basis for a criminal investigation, arrest, or detention;
- (10) Allow for the Examiner of Drivers to determine and collect a separate fee from individuals issued driver's licenses with a unique identifier, to offset reasonable administrative costs of implementing the requirements of this measure; and
- (11) Insert an effective date of September 1, 2014.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2935, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2935, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Green).

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Slom).

**SCRep. 2366 (Joint) Public Safety, Intergovernmental and Military Affairs and Higher Education on S.B. No. 3053**

The purpose and intent of this measure is to:

- (1) Establish the Hawaii unmanned aerial systems test site Chief Operating Officer position, who will manage the operations of the Hawaii unmanned aerial systems test sites and serve on the Pan-Pacific Unmanned Aerial Systems Test Range Complex management team;
- (2) Establish an advisory board to oversee and manage unmanned aerial systems test site operations; and
- (3) Appropriate \$470,000 to the University of Hawaii to staff and operate Hawaii's unmanned aerial systems test site activities.

Your Committees received testimony in support of this measure from the Department of Transportation; Department of Business, Economic Development, and Tourism; Hawaii Aerospace Advisory Committee; University of Hawaii; Niihau Ranch; and eight individuals.

Your Committees find that there is a need to safely integrate unmanned aerial systems into national air space and Hawaii offers many unique qualities to support these operations. Your Committees further find that the Federal Aviation Administration, at the direction of the United States Congress, designated Hawaii, in partnership with Alaska and Oregon, as one of six national unmanned aerial test sites to research and develop unmanned aerial systems operating standards and regulations. Accordingly, this measure will fund the staffing and operating costs of Hawaii unmanned aerial systems test site activities and establish leadership positions to oversee and manage operations, thereby securing a prominent role for the State in this pioneering technology.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental 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. 3053, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3053, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

Higher Education  
Ayes, 5. Noes, none. Excused, 2 (Ige, Slom).

**SCRep. 2367 (Joint/Majority) Public Safety, Intergovernmental and Military Affairs and Commerce and Consumer Protection on S.B. No. 3103**

The purpose and intent of this measure is to ensure equitable contributions to the funding of 911 systems by:

- (1) Imposing a single, statewide enhanced 911 surcharge upon the consumer's retail purchase of a prepaid wireless telecommunications service, to be collected at the point of sale;
- (2) Defining the term "prepaid wireless telecommunications service";
- (3) Amending the definition of "prepaid connection" to exclude the sale of a prepaid wireless telecommunications service; and
- (4) Requiring the Enhanced 911 Board to include at least one representative from a prepaid wireless telecommunications service provider.

Your Committees received testimony in support of this measure from the Enhanced 911 Board and Maui Police Department. Your Committees received testimony in opposition to this measure from the Hawaii Food Industry Association, CITA – The Wireless Association, AT&T, and the Retail Merchants of Hawaii. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that prepaid wireless consumers have the same access to emergency 911 services from their wireless devices as wireless consumers on term contracts. Yet, prepaid wireless consumers receive this benefit without having to pay the enhanced 911 surcharge that is imposed on wireless consumers with term contracts. This measure ensures equitable contributions to the funding of 911 systems from consumers of prepaid wireless telecommunications services.

Your Committees have amended this measure by deleting its contents and inserting language to:

- (1) Establish a new section in chapter 138, Hawaii Revised Statutes, to require a prepaid wireless E911 surcharge of 66 cents on each retail prepaid connection transaction at the point of sale, to be stated on an invoice, receipt, or other similar document that is provided to the consumer by the seller or otherwise disclosed to the consumer;
- (2) Provide that the prepaid wireless E911 surcharge is the liability of the consumer;
- (3) Allow sellers to deduct and retain three percent of the prepaid wireless E911 surcharges that are collected and require the seller to remit all remaining surcharges collected to eHawaii.gov;
- (4) Allow eHawaii.gov to retain up to two percent of the remitted prepaid wireless E911 surcharges collected to cover the costs of administering the prepaid wireless E911 charges and require eHawaii.gov to transfer all remaining remitted surcharges to the enhanced E911 fund within thirty days;
- (5) Provide the seller with discretion to not apply the prepaid wireless E911 surcharge to a transaction of a minimal amount of prepaid wireless telecommunications service sold with a prepaid wireless device for a singly, non-itemized price;
- (6) Provide that audit and appeal procedures applicable to retailers under the general excise tax law shall apply to prepaid wireless E911 surcharges and that section 138-9, Hawaii Revised Statutes, shall apply to providers and sellers of prepaid wireless telecommunications service;
- (7) Require eHawaii.gov to establish procedures by which a seller of prepaid wireless telecommunications service may document that a sale is not a retail transaction;
- (8) Establish that the prepaid wireless E911 surcharge shall be the only funding obligation imposed on prepaid wireless telecommunications service within the State for enhanced 911 service costs;
- (9) Amend section 138-1, Hawaii Revised Statutes, to include new definitions; and
- (10) Insert an effective date of January 1, 2015.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military 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. 3103, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3103, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Green).

Commerce and Consumer Protection  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Nishihara).

**SCRep. 2368 (Joint) Human Services and Health on S.B. No. 2009**

The purpose and intent of this measure is to provide quality, cost-effective health care for Hawaii residents who are uninsured, newly uninsured, underinsured, potential Medicaid enrollees, or Medicaid enrollees.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Primary Care Association, Lanai Community Health Center, Malama I Ke Ola Health Center, Hamakua Health Center, Waianae Coast Comprehensive Health Center, Waimanalo Health Center, Waikiki Health, Hooola Lahui Hawaii, Community Alliance for Mental Health, Hawaii Pacific Health, and six individuals. Your Committees received comments on this measure from the Department of Human Services and two individuals.

Your Committees find that community health centers serve the State's uninsured, underinsured, and low-income population, in addition to one-fourth of the State's Medicaid members, through a patient-centered delivery system. In 2012, community health centers saved the health care system \$182,000,000 by providing timely, effective care and care management that reduced unnecessary emergency room, inpatient, and specialty utilization. Your Committees further find that funding is needed to synchronize the trajectory of community health center growth with Hawaii's implementation of the federal Patient Protection and Affordable Care Act. It is in the State's interest to ensure access to primary, behavioral, dental, and preventative health care for all of its residents. Your Committees support the funding requests in the Executive Supplemental Budget submitted by the Governor for adult dental benefits for Medicaid enrollees, out-stationed eligibility workers, and the health homes program under Medicaid.

Your Committees have received testimony on this measure regarding funding for health homes. Your Committees find that this measure appropriates \$2,000,000 out of general revenues for both private providers and federally qualified community health centers to establish health care homes. Additionally, the measure appropriates \$2,000,000 from the community health centers special fund to establish health care homes at federally qualified community health centers. Your Committees further find that the intent of this measure is to draw down maximum federal funds, which due to the 90 percent - 10 percent match are expected to be \$18,000,000 to match the appropriation from general revenues for health care homes, and \$18,000,000 to match the appropriation from the community health centers special fund for health care homes at federally qualified community health centers.

Your Committees have amended this measure by:

- (1) Amending the amount of funds appropriated for basic adult dental benefits to Medicaid enrollees from \$4,800,000 to \$4,000,000 because it will take time to re-establish the program and, therefore, a full year of operating funds is not necessary;
- (2) Amending the amount of funds appropriated for outreach and eligibility services from \$800,000 to \$320,000 to reflect the Department of Human Services' request in the Executive Supplemental Budget that includes federal matching funds;
- (3) Changing the appropriation amount for the establishment of health homes under Medicaid services from \$2,000,000 to \$2,016,000 to reflect the Department of Human Services' request in the Executive Supplemental Budget; and
- (4) 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 are in accord with the intent and purpose of S.B. No. 2009, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2009, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2369 Education on S.B. No. 2423**

The purpose and intent of this measure is to:

- (1) Authorize the Department of Education to accept gifts or donations on behalf of the Department, individual schools, or school complexes and based on criteria established by the Board of Education; and
- (2) Allow schools and classes to participate in fundraising or charitable activities, in conjunction with a 501(c)(3) tax-exempt organization, under certain circumstances and based on criteria established by the Board of Education.

Your Committee received testimony in support of this measure from the Department of Education and Hawaii Association of Independent Schools. Your Committee received testimony in opposition to this measure from the Hawaii State Ethics Commission. Your Committee received comments on this measure from the Hui for Excellence in Education.

Your Committee finds that it is important that students and schools are able to partner with charitable community organizations to foster civic engagement and service learning. School or class participation in fundraising and charitable activities engages students and allows them to work alongside staff, parents, and community members to ensure long lasting and meaningful contributions to their schools, communities, and organizations.

Your Committee further finds that partnerships and project-based learning experiences like these are also aligned with the Board of Education's Policy 2109 (Character Education) and the Department of Education's community contributor general learner outcomes, and recognizes that teaching students to be ethical and moral citizens cannot be done through textbooks.

Your Committee notes that all employees of the Department of Education are subject to the State Ethics Code and all individuals and entities that contract, volunteer, or otherwise participate in activities with the Department of Education are held accountable under the Board of Education's Policy 1200-1.41 (Employee, Contractor, and Volunteer Ethics and Conflict of Interest Policy), which has recently been audited and reviewed.

Your Committee also notes that this measure allows classes and schools to participate in fundraising or charitable activities in conjunction with charitable organizations only when it is part of a school project that benefits student learning. In addition, this measure tasks the Board of Education to develop the proper criteria and guidelines that schools and classes must follow when participating in such activities.

Your Committee has amended this measure by:

- (1) Removing language authorizing the Department of Education to accept gifts or donations, as this is allowed in other sections of the Hawaii Revised Statutes (HRS);
- (2) Inserting language to require that charitable organizations with which a school or class may partner for fundraising and charitable activities be registered as a charitable organization under section 467B-2.1, HRS, or be exempt from registering under that section; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2423, 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, Ruderman).

**SCRep. 2370 Education on S.B. No. 2424**

The purpose and intent of this measure is to require the Department of Education and the Department of Accounting and General Services to develop a master strategy for cooling all public school facilities and to address related factors.

Your Committee received testimony in support of this measure from the Department of Education, Department of Accounting and General Services, Hawaii State Teachers Association, IMUAlliance, Hawaii Bicycling League, and two individuals.

Your Committee clearly stated at the hearing on this measure that while this measure does not currently have an appropriation amount for air conditioning in schools, nothing precludes the Legislature from including an appropriation in the supplemental budget measure, given the appropriation request for \$25,000,000. This would, in fact, be preferable to passage of a \$25,000,000 appropriation in this measure, especially given the fact that such an appropriation measure would be constitutionally prohibited from passing Final Reading in the Legislature prior to the transmittal of the supplemental budget to the Governor.

Your Committee finds that a key factor in influencing a student's ability to learn is the student's learning environment. Many schools in Hawaii lack air conditioning or proper ventilation, which results in classrooms and facilities that are overheated. This measure tasks the Department of Education and Department of Accounting and General Services to develop a master strategy for cooling, taking a comprehensive look at a number of factors, including but not limited to the current facility needs, projected long-term repair and maintenance, and applicable electrical and environmental standards to address this issue so that public schools can provide a more comfortable environment that is conducive to student learning.

Recognizing that renewable energy technologies must be a part of the master strategy and understanding the Legislature's sense of urgency and need for good data going forward, your Committee has amended this measure by:

- (1) Requiring the Department of Education and the Department of Accounting and General Services to consult with the Hawaii State Energy Office of the Department of Business, Economic Development, and Tourism and the Hawaii Natural Energy Institute of the University of Hawaii in developing the master strategy for cooling all public school facilities;
- (2) Requiring the departments' joint report to the Legislature to include:
  - (A) A timeline, including dates and prioritization schedules, for the implementation of the master strategy for cooling all public school facilities;
  - (B) Discussion on the capacity, infrastructure, and funding needs of the Department of Education in implementing the master strategy for cooling all public school facilities; and
  - (C) Discussion on how the master strategy for cooling all public school facilities complements and overlaps with the Department of Education's overall facilities master plan and sustainability efforts; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

If this measure is considered for passage by your Committee on Ways and Means, it is your Committee's hope that any request for resources to support the Department of Education in meeting the requirements of this measure will be given favorable consideration.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2424, 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. 2371 Education on S.B. No. 2922**

The purpose and intent of this measure is to:

- (1) Lengthen the school year from one hundred eighty days to one hundred ninety days beginning with the 2015-2016 school year; and
- (2) Discontinue the requirements for the minimum number of instructional hours effective at the end of the 2014-2015 school year.

Your Committee received testimony in support of this measure from two individuals. Your Committee received testimony in opposition to this measure from IMUAlliance. Your Committee received comments on this measure from the Department of Education and Hawaii State Teachers Association.

Your Committee finds that lengthening the school year from one hundred eighty days to one hundred ninety days will result in increased costs for the Department of Education, as multiple employees, including teachers, administrators, educational assistants, school health aides, security attendants, and school food services personnel will be impacted. It should also be noted that teachers and other school personnel currently work for one hundred ninety days per their contracts, and any increase in student instructional days would need to account for the ten professional development days currently allotted in the contracts. The Department of Education will not be able to meet the requirements of this measure without appropriate resources.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an appropriation to the Department of Education in an unspecified amount;
- (2) Inserting an effective date of July 1, 2050, to encourage 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2922, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2922, 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 (Ruderman). Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 2372      Agriculture on S.B. No. 2294**

The purpose and intent of this measure is to issue general obligation bonds and appropriate funds for the purpose of making capital improvements to irrigation systems in the State.

Your Committee received testimony in support of this measure from the Department of Agriculture; Agribusiness Development Corporation; Hawaii Farmers Union United; Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; and five individuals. Your Committee received comments on this measure from the Department of Budget and Finance and one individual.

Your Committee finds that many irrigation systems throughout the State are antiquated and have deteriorated over time. Farmers and ranchers depend on these irrigation systems for their operations. For a sustainable agricultural industry, it is imperative that farmers have a reliable source of water.

Your Committee has amended this measure by clarifying that the funding provided by this measure is not only for making capital improvements to irrigation systems, but also for making capital improvements to associated agricultural management facilities, and making a conforming amendment to the purpose section.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2294, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Slom).

**SCRep. 2373      (Joint) Agriculture and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2175**

The purpose and intent of this measure is to:

- (1) Authorize the growing of industrial hemp for certain purposes under specified conditions;
- (2) Establish an advisory group to make recommendations to the Chairperson of the Board of Agriculture on all matters pertaining to the cultivation of industrial hemp;
- (3) Require a report and opinion from the Attorney General regarding certain reported incidents and the authorization of this measure pursuant to federal law, respectively; and
- (4) Require a report from the industrial hemp advisory group, in consultation with the Hemp Industrial Association, regarding the economic impacts of industrial hemp cultivation by January 1, 2019, or four years after this measure is authorized under federal law, whichever is later.

Your Committees received testimony in support of this measure from the Kona Chapter of Hawaii Farmers Union United; Artel, Inc.; Pacific Biodiesel Technologies; Vote Hemp; Paradise Action Women's Alliance; Hawaii Sustainable Community Alliance; Green Futures and Hawaiian Standard; Hui 'O Malama 'Aina; and seventy-six individuals. Your Committees received testimony in opposition to this measure from the Honolulu Police Department and two individuals. Your Committees received comments on this measure from the Department of Agriculture and two individuals.

Your Committees find that industrial hemp products are a \$500,000,000 industry in the United States. Hemp fibers are used to make thousands of different items, including fabrics, yarns, carpeting, home furnishings, construction materials, foods, body-care products, and auto parts. Although it is a variety of Cannabis, industrial hemp is genetically distinct from the psychoactive marijuana plant and requires different cultivation practices. However, due to its close relationship to the psychoactive variety of the plant, it has been illegal for cultivation in the United States until recently. Fortunately, earlier this month, President Obama signed a farm bill legalizing hemp production for research purposes by state agriculture departments and colleges and universities.

Your Committees further find that industrial hemp would be highly useful in Hawaii for the purpose of remediating toxic soil and as an efficient feedstock for biofuel. In fact, the University of Hawaii, College of Tropical Agriculture and Human Resources, is prepared

to conduct a research project that studies hemp remediation and biofuel production. This type of research project is now authorized by federal law, making the current measure legalizing industrial hemp cultivation largely unnecessary.

Accordingly, your Committees have amended this measure by deleting its contents and inserting language that:

- (1) Authorizes the Dean of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa to establish a two-year industrial hemp remediation and biofuel research program; and
- (2) Requires the Dean to submit a final report to the Legislature twenty days prior to the convening of the 2016 Regular Session.

As affirmed by the records of votes of the members of your Committees on Agriculture and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2175, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2175, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Wakai).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 2374 (Joint) Agriculture and Water and Land on S.B. No. 2038**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii College of Tropical Agriculture and Human Resources, to address issues that relate to farming sufficiency in conservation, water and energy management, soil science, and food safety.

Your Committees received testimony in support of this measure from the University of Hawaii College of Tropical Agricultural and Human Resources and one individual.

Your Committees find that there are two major areas of concern to the agricultural sector and the public. The first concern is organic agriculture and soil health. The second concern is good agricultural practices and food safety. The additional funds provided by this measure will address both areas of concern by supporting research to address organic pest management needs, training in safe and effective organic farming techniques, pesticide safety training, and the food safety coaching program. Improving organic agriculture and food safety practices will greatly benefit the State's agricultural industry and bolster consumer confidence in the quality and safety of agricultural products.

Your Committees have amended this measure by inserting an appropriation amount of \$730,000 for the University of Hawaii College of Tropical Agriculture and Human Resources to address issues that relate to farming sufficiency in conservation, water and energy management, soil science, and food safety.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2038, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2038, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Slom).

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Ihara, Slom).

**SCRep. 2375 (Joint) Agriculture and Water and Land on S.B. No. 2292**

The purpose and intent of this measure is to provide funding to construct the necessary irrigation infrastructure on the former Galbraith Estate lands now owned by the State.

Your Committees received testimony in support of this measure from the Department of Agriculture, Agribusiness Development Corporation, Hawaii Farm Bureau Federation, Local Food Coalition, Land Use Research Foundation of Hawaii, and two individuals. Your Committees received comments on this measure from the Department of Budget and Finance and one individual.

Your Committees find that Hawaii's agricultural industry is one of the most important economic sectors in the State. The State recently acquired one of Oahu's largest tracts of undeveloped land, known as the Galbraith Estate, that has the potential to significantly increase local agricultural production. This land, however, had been developed for large agricultural operations and requires funding for the construction of appropriate irrigation systems to support a diversity of smaller agricultural operations. Your Committees find that funding infrastructure improvements on the former Galbraith Estate will attract a diversity of businesses to the land and will increase our food self-sufficiency and agricultural economy.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2292 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.

Agriculture

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Slom).



Water and Land  
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Ihara, Slom).

**SCRep. 2376 (Joint) Higher Education and Energy and Environment on S.B. No. 3016**

The purpose and intent of this measure is to require the University of Hawaii Sea Grant College Program to submit a report to the Legislature updating its 1996 report on oil spills and the potential effect on Hawaii.

Your Committees received testimony in support of this measure from the Department of Health.

Your Committees find that in 1996, the University of Hawaii Sea Grant College Program issued a report, "Hawaii's Readiness to Prevent and Respond to Oil Spills". The report has not been updated since it was first released.

The recent molasses spill in Honolulu Harbor highlights the need to update the report and prepare a spill prevention plan for the State. This measure requires the University of Hawaii Sea Grant College Program to submit to the Legislature an update of its 1996 report and provides the necessary resources to the Sea Grant College Program.

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. 3016 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.

Higher Education  
Ayes, 4. Noes, none. Excused, 3 (Ige, Tokuda, Slom).

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2377 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2472**

The purpose and intent of this measure is to improve the regulation of occupational therapists and occupational therapy assistants by establishing an occupational therapy program and licensing requirements for occupational therapists and occupational therapy assistants.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, The Queen's Health Systems, American Occupational Therapy Practice, Hawaii Athletic Trainers' Association, Occupational Therapy Association of Hawaii, Kaiser Permanente, CHART Rehabilitation of Hawaii, Kuakini Health System, Hawaii Pacific Health, and several individuals.

Your Committees find that Hawaii is the only state that does not currently license occupational therapists and is one of three remaining states that do not license occupational therapist assistants. Your Committees further find that licensure will safeguard public health and provide the highest quality of occupational therapy services in Hawaii.

Your Committees have amended this measure by:

- (1) Clarifying the powers and duties of the Director of Commerce and Consumer Affairs (Director);
- (2) Requiring licensing for occupational therapy assistants as of January 1, 2017;
- (3) Requiring occupational therapy assistants to complete certain educational, field work, and examination licensing requirements;
- (4) Removing distinctions between permanent and temporary licenses;
- (5) Specifying that each active occupational therapist registration shall become an active occupational therapist license with renewal effective December 31, 2014;
- (6) Requiring the Director to treat any pending application for an occupational therapist registration as an application for licensure effective January 1, 2015;
- (7) Permitting the revocation or suspension of a license for violation of chapter 436B, Hawaii Revised Statutes, or any rule or order of the Director;
- (8) Amending, rather than repealing, section 457G-1.5, Hawaii Revised Statutes, to insert the description of the practice of occupational therapy;
- (9) Amending, rather than repealing, section 457G-2, Hawaii Revised Statutes, to insert the qualifications of foreign-trained persons for licensure as occupational therapists;
- (10) Inserting language to amend the penalties for violations of chapter 457G, Hawaii Revised Statutes;
- (11) Inserting an appropriation for implementation of the occupational therapists licensure program, including hiring of necessary personnel;
- (12) Inserting an effective date of July 1, 2014;
- (13) Amending the purpose section to reflect these changes; and
- (14) 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 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. 2472, as amended herein, and

recommend that it pass Second Reading in the form attached hereto as S.B. No. 2472, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

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

**SCRep. 2378 (Joint) Health and Judiciary and Labor on S.B. No. 3095**

The purpose and intent of this measure is to:

- (1) Designate a portion of the Hawaii State Hospital as a forensic facility; and
- (2) Appropriate funds to the Department of Health to cover any necessary expenses resulting from the designation.

Your Committees received testimony in support of this measure from the Department of Health; Department of Public Safety; Hawaii Government Employees Association; Hawaii Disability Rights Center; United Public Workers, AFSCME, Local 646; and one individual.

Your Committees find that the conditions at the Hawaii State Hospital have raised concerns regarding hospital worker safety and patient care. Your Committees further find that a forensic facility would appropriately house the forensic population with well-trained staff operating at a sensible ratio to patients. This measure provides a level of security that will assist in the prevention of staff assaults and enhance the mental health services provided to the forensic patient population.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3095 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.

Health

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

Judiciary and Labor

Ayes, 4. Noes, none. Excused, 3 (Ihara, Shimabukuro, Solomon).

**SCRep. 2379 (Joint/Majority) Health and Judiciary and Labor on S.B. No. 2859**

The purpose and intent of this measure is to increase administrative penalties for violations of chapter 321, Hawaii Revised Statutes, and rules adopted pursuant to this chapter.

Your Committees received testimony in support of this measure from the Department of Health and one individual. Your Committees received testimony in opposition to this measure from The Chamber of Commerce of Hawaii, Hawaii Food Industry Association, and Hawaii Restaurant Association.

Your Committees find that the administrative penalty for violations of chapter 321, Hawaii Revised Statutes, has not been increased in nearly thirty years. Consequently, this penalty does not have the necessary impact to force violators of departmental rules to rapidly correct major violations.

Your Committees further find that the maximum penalty of \$10,000 per day per violation, proposed by this measure, provides the Department of Health with the ability to better scale the severity of the violation to the final penalty amount. Violations of lesser severity will be assessed lower penalties, while egregious violations will be assessed the maximum penalty. This measure also provides parity with the maximum penalties available under chapter 328, Hawaii Revised Statutes, part of which provides regulatory authority over food manufacturers, distributors, and retailers.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2859 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.

Health

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

Judiciary and Labor

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Shimabukuro, Solomon).

**SCRep. 2380 Health on S.B. No. 3064**

The purpose and intent of this measure is to:

- (1) Allow for the transition of the Hawaii Health Systems Corporation, a regional system, to a nonprofit hospital corporation incorporated in Hawaii before January 1, 2000;
- (2) Require the nonprofit hospital corporation to maintain equivalent services in acquired regions for no less than five years; and

- (3) Require the State to continue to be responsible for certain liabilities of the Corporation related to collective bargaining contracts negotiated by the State before the effective date of this measure.

Your Committee received testimony in support of this measure from the Office of the Governor; Hawaii Health Systems Corporation; Hawaii Health Systems Corporation, West Kauai Region; Hawaii Health Systems Corporation, Maui Region; Hawaii Health Systems Corporation, East Hawaii Region; Hilo Medical Center; Maui Memorial Medical Center; Hawaii Health Systems Corporation, East Hawaii Regional Board; Hawaii Health Systems Corporation, West Hawaii Regional Board; ILWU Local 142; Pradeepta Chowdhury M.D., LLC; and several individuals.

Your Committee finds that the current structure of the Hawaii Health Systems Corporation is not sustainable for the long-term delivery of quality health care services for residents, especially those on neighbor islands. Your Committee further finds that the shortage of physicians is growing in Hawaii, with critical services in jeopardy. This measure provides a major transformation to the State's health care system to improve the standard of care in Hawaii.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3064, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3064, 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 (Slom). Noes, none. Excused, none.

**SCRep. 2381 (Joint) Human Services and Judiciary and Labor on S.B. No. 2256**

The purpose and intent of this measure is to aid victimized and exploited juvenile prostitutes by creating a specialty juvenile prostitution court as a pilot program.

Your Committees received testimony in support of this measure from the Judiciary, Pacific Alliance to Stop Slavery, IMUAlliance, Courage Worldwide Hawaii, Courage House Hawaii, and forty-two individuals. Your Committees received testimony in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committees find that, too often, sex-trafficking victims are re-traumatized by the criminal justice system, branded as juvenile offenders, and treated as though their crimes were self-motivated. Your Committees further find that it is crucial to provide aid to vulnerable youth when they first become trapped in the subculture of prostitution because adult prostitutes often were troubled youth who remained victimized and trapped by the subculture of the street, by those who control their activities, and by a lack of other skills and economic resources. This measure seeks to provide vulnerable youth who have become trapped in the subculture of prostitution by providing rehabilitative, educational, vocational, medical, and psychological services to ensure that the youth have every opportunity to overcome crimes committed against their person and to lead successful adult lives.

Your Committees have amended this measure by:

- (1) Adding language to clarify that the juvenile prostitution court will have authority over non-violent offenses committed by a juvenile during the period of victimization of the juvenile in the promotion of prostitution;
- (2) Deleting language that would have required the Chief Justice and senior judge of the Family Court to select the assigned judge for the juvenile prostitution court;
- (3) Amending language to allow, rather than mandate, certain support services and resources for the juvenile prostitution court;
- (4) Substituting the word "juveniles" for the word "offenders" throughout the measure because the term "offenders" is most often used to apply to adults, and substituting the word "juveniles" for the word "victims" where appropriate;
- (5) Deleting language that would have required the resource coordinator and on-site child advocate to be licensed as social workers;
- (6) Inserting language authorizing the court to contract with victim services organizations to implement the juvenile prostitution court;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2256, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2256, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3; Ayes with Reservations (Kidani, Slom). Noes, none. Excused, 2 (Green, Taniguchi).

Judiciary and Labor

Ayes, 5; Ayes with Reservations (Solomon, Slom). Noes, none. Excused, 2 (Galuteria, Ihara).

**SCRep. 2382 (Joint) Economic Development, Government Operations and Housing and Energy and Environment on S.B. No. 2703**

The purpose and intent of this measure is to enable the production of air conditioning in an area or district from a seawater air conditioning cooling system to qualify as an “eligible business activity” and benefit from the State’s enterprise zones program.

Your Committees received testimony in support of this measure from the Honolulu Seawater Air Conditioning, LLC; and one individual. Your Committees received comments on this measure from the Department of Taxation and Department of Business, Economic Development, and Tourism.

Your Committees find that seawater air conditioning district cooling systems help to reduce the State’s dependence on fossil fuels and help the State’s economy. The twenty-five-thousand-ton seawater air conditioning district cooling system under development for downtown Honolulu can potentially reduce Oahu’s dependence on imported oil. The development of this system will generate millions of dollars in construction-project spending and create a significant amount of long-term, gainful employment.

Your Committees have amended this measure by inserting language in the purpose section to reference all seawater air conditioning district cooling systems instead of only the downtown Honolulu seawater air conditioning project.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations 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. 2703, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2703, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 7. Noes, none. Excused, none.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2383 (Joint) Economic Development, Government Operations and Housing and Energy and Environment on S.B. No. 2764**

The purpose and intent of this measure is to expand eligible business activity in the state enterprise zones to include the development of various types of renewable energy by sustainable business corporations.

Your Committees received testimony in support of this measure from The Chamber of Commerce of Hawaii; Hawaiian Electric Vehicle Network; Maui Venture Consulting, LLC; and one individual. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs; Department of Taxation; Tax Foundation of Hawaii; and RevoluSun.

Your Committees find that sustainable business corporations engaged in the development or production of renewable energy will stimulate business, agricultural, and industrial growth in areas that will result in neighborhood revitalization. The addition of other forms of renewable resources to the state enterprise zone program is consistent with currently approved business activities, which include wind energy production. Furthermore, state enterprise zone tax incentives and regulatory flexibility will help attract renewable energy businesses and further the State’s renewable energy goals.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Economic Development, Government Operations 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. 2764, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2764, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (English).

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2384 (Joint) Economic Development, Government Operations and Housing and Energy and Environment on S.B. No. 3027**

The purpose and intent of this measure is to:

- (1) Allow the Energy Resources Coordinator and Governor to designate areas as energy zones; and
- (2) Provide a state business tax credit to qualifying businesses in energy zones.

Your Committees received testimony in support of this measure from Indigenous Consultants, LLC; and Kaiuli Energy. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committees find that the Hawaii Clean Energy Initiative looks to meet seventy percent of Hawaii's energy needs by 2030 through energy efficiency and renewable energy. By exercising more energy efficiency and better harnessing local energy supplies, the Hawaii Clean Energy Initiative strives to work with public and private organizations at the national, state, county, and grassroots levels to achieve several key objectives, including fostering and demonstrating innovation in the use of clean energy technologies, creative financing, and public policy to accelerate Hawaii's transition to clean energy.

Your Committees further find that for the Hawaii Clean Energy Initiative to optimize working relationships with private organizations toward its goals, there are certain areas in the State that need the particular attention of government to help attract private sector investment. These incentives will encourage the development, growth, and expansion of the private sector, a cornerstone of our society that the people of the State have grown to depend on for their health, safety, and welfare.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations 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. 3027, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3027, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 7; Ayes with Reservations (Thielen). Noes, none. Excused, none.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2385 Economic Development, Government Operations and Housing on S.B. No. 2928**

The purpose and intent of this measure is to require the Hawaii Community Development Authority to assign at least three members, but less than the number of members that would constitute a quorum, to attend every scheduled public input session.

Your Committee received comments on this measure from the Office of Information Practices and one individual.

Your Committee finds that the Hawaii Community Development Authority schedules supplemental hearings on weekday nights and weekend days to promote community outreach and dialogue and receive testimony. A court reporter prepares a verbatim transcript of all testimony received, and this transcript is provided to the Authority. Furthermore, the public and affected community are given opportunities through these supplemental hearings to provide testimony and engage in a dialogue with Authority staff in a setting that promotes engagement.

Your Committee further finds that this measure would require at least three members to attend every community engagement, including supplemental hearings. A lack of available Authority members could limit the scheduling of supplemental hearings and consequently deter, rather than promote, community engagement.

Your Committee has amended this measure by:

- (1) Deleting the requirement that at least three members attend every scheduled community engagement session; and
- (2) Inserting language to require the Hawaii Community Development Authority to create a permitted interaction group to attend all public input sessions.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2928, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2928, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, Wakai).

**SCRep. 2386 (Joint/Majority) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 2222**

The purpose and intent of this measure is to prohibit the sale, offering for sale, or distribution of any flavored tobacco product, including menthol products and electronic smoking devices, within the State beginning on January 1, 2015.

Your Committees received testimony in support of this measure from the Department of Health, American Lung Association of the Mountain Pacific, The Queen's Health Systems, Coalition for a Tobacco-Free Hawai'i, REAL: Hawaii Youth Movement Exposing the Tobacco Industry, and numerous individuals. Your Committees received testimony in opposition to this measure from the Hawaii Food Industry Association; Cigar Association of America, Inc.; Hawaii Smokers Alliance; Aloha Petroleum, Ltd.; ABC Stores; Minit Stop Stores; Volcano Fine Electric Cigarettes; Vaping Dragon; and numerous individuals.

Your Committees find that public health experts have expressed concerns over the growing popularity of flavored tobacco products. Youth are attracted to flavored tobacco products because these products are cheap, sweet, and sold in a variety of kid-friendly flavors. Flavors can mask the natural harshness and taste of tobacco, which makes flavored tobacco products easier to use and increases their appeal among new users.

Your Committees further find that nationwide, menthol cigarette use among smokers is more common among young people, those aged twelve through twenty-five, than among older age groups. Hawaii's overall menthol use is higher than any other state, and menthol cigarettes are a popular choice among the State's youth, Asian-Americans, and Native Hawaiians. Your Committees additionally find that a report from the federal Food and Drug Administration's Tobacco Products Scientific Advisory Committee

indicated that menthol cigarettes cause smoking initiation among youth and young adults, lead to greater addiction, and make it more difficult for smokers to quit.

Your Committees have heard the concerns expressed in testimony about including electronic smoking devices within the flavored tobacco products prohibited by this measure. It is your Committees' understanding that not all refill cartridges for electronic smoking devices contain nicotine. Some refill cartridges contain flavor only, although users of electronic smoking devices typically use these flavor cartridges in conjunction with nicotine. Nicotine is a poison and highly addictive, and your Committees are especially concerned about the potential for increased youth experimentation with electronic smoking devices containing nicotine that could lead to life-long nicotine addiction.

Although your Committees find that regulation over electronic smoking devices is needed, your Committees acknowledge that this measure may not be the best vehicle to achieve this regulation. Your Committees find that this measure should be limited to a prohibition on flavored tobacco products, including menthol, but note that regulation of electronic smoking devices will be considered via another measure.

Accordingly, your Committees have amended this measure by:

- (1) Deleting a definition of "electronic smoking device" and making conforming amendments to the definitions of "component part" and "tobacco product"; and
- (2) Amending the purpose section for clarity.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2222, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2222, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection

Ayes, 3; Ayes with Reservations (Nishihara). Noes, 1 (Slom). Excused, 1 (Taniguchi).

Judiciary and Labor

Ayes, 6; Ayes with Reservations (Gabbard). Noes, 1 (Slom). Excused, none.

**SCRep. 2387 (Joint) Human Services and Energy and Environment on S.B. No. 2509**

The purpose and intent of this measure is to clarify that the Hawaii Public Housing Authority is authorized to contract with private businesses to remove food waste and green waste from public housing projects.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority and two individuals.

Your Committees find that an effective way to increase environmental sustainability is to diminish the need for landfills by diverting food waste and green waste from landfills to composting and energy production. Your Committees further find that the Hawaii Public Housing Authority currently recycles in a variety of ways including composting and using mulch and wood chips to soak up old paint. This measure allows the Authority to contract with private businesses to remove food and green waste if the Authority's waste quantities become too burdensome.

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 Human Services and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2509, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2509, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2388 (Joint) Transportation and International Affairs and Water and Land and Hawaiian Affairs on S.B. No. 2747**

The purpose and intent of this measure is to require the Department of Transportation, Department of Hawaiian Home Lands, and Department of Land and Natural Resources to submit to the counties certain information on parcels located within a subdivision.

Your Committees received testimony in support of this measure from the Department of Transportation, Department of Land and Natural Resources, Department of Hawaiian Home Lands, County of Hawaii Department of Finance, County of Maui Department of Finance, and one individual.

Your Committees find that section 264-43, Hawaii Revised Statutes, which exempts the Department of Transportation from county subdivision ordinances in acquiring, subdividing, consolidating, maintaining, and administering the state highway system, poses problems for counties. For example, section 3.48.010(F) of the Maui County Code provides in pertinent part: "The director [of finance] shall provide for the County maps drawn to appropriate scale, showing all parcels, blocks, lots, or other divisions of land based upon ownership, and their areas or dimensions, numbered or otherwise designated in a systematic manner for convenience of

identification, valuation, and assessment.” The exemption makes it difficult for Maui County to maintain accurate records of subdivision parcel ownership, since the Department of Transportation is not required to furnish any information to Maui County about parcels that may have been transferred by the Department to private owners or vice versa.

The Department of Hawaiian Home Lands and the Department of Land and Natural Resources pose similar problems as the Department of Transportation to the counties in their respective land transactions in subdivisions.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs, Water and Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2747 and recommend that it pass Second Reading and be referred to the Committee on Public Safety, Intergovernmental and Military Affairs.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 7; Ayes with Reservations (Keith-Agaran). Noes, none. Excused, 2 (Dela Cruz, Slom).

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Galuteria, Taniguchi).

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2389 (Joint) Water and Land and Energy and Environment on S.B. No. 2062**

The purpose and intent of this measure is to make an appropriation for the identification, establishment, and management of natural area reserves related to watershed protection and the acquisition of private lands for new natural area reserves related to watershed protection.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, The Nature Conservancy, Hawai'i Green Growth, and one individual.

Your Committees find that forests are essential to provide water at affordable rates. Hawaii's native forests absorb moisture from rainfall and passing clouds that condense on the thick vegetation and can increase groundwater supply by up to fifty percent. However, over half of these forests have already been lost to invasive species, causing extensive water loss across landscapes. Clearly, our forests are enormous economic assets. Just as clearly, their degradation is ongoing and accelerating.

The longer Hawaii waits to take significant action to halt this destruction, the higher the costs will be to reverse the damage and ensure our future water supply for current and future generations. In addition to increasing fresh water supplies, the protection of forests prevents erosion that muddies beaches, coral reefs, and fisheries. Forests reduce Hawaii's greenhouse gas emissions and mitigate many damaging impacts from climate change. Protection sustains the native plants and animals unique to our islands and sacred to the Hawaiian culture.

As affirmed by the records of votes of the members of your Committees on Water and Land and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2062 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.

Water and Land

Ayes, 7. Noes, none. Excused, 2 (Taniguchi, Slom).

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 2390 (Joint) Water and Land and Judiciary and Labor on S.B. No. 2082**

The purpose and intent of this measure is to authorize revisions, amendments, additions, and deletions to the fee schedule for services provided by the Office of the Registrar of the Land Court, Assistant Registrars of the Bureau of Conveyances, and State Land Surveyor to be established by the Supreme Court by rule of court, by the Department of Land and Natural Resources by administrative rules, and by the Department of Accounting and General Services by administrative rules, respectively.

Your Committees received testimony in support of this measure from the Judiciary, Department of Land and Natural Resources, and Department of Accounting and General Services.

Your Committees find that this measure does not attempt to alter or amend the existing schedule of fee items but rather seeks to clarify and establish that the respective branch of government or department may establish and amend, from time to time, its own schedule of fees for the services it performs.

As affirmed by the records of votes of the members of your Committees on Water and Land and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2082 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.

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Galuteria, Taniguchi).

Judiciary and Labor

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 2391 Water and Land on S.B. No. 3121**

The purpose and intent of this measure is to amend the legislative disapproval requirement for any exchange of public land for private land to instead be a requirement for legislative approval subject to approval by a majority vote in both houses.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs and Office of Hawaiian Affairs. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that this measure removes confusion and inconsistency in the statutes. By restating the proposition in the positive as “approval”, rather than in the negative “disapproval”, will no longer be a source of confusion when the Legislature votes on these matters.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3121 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Ruderman, Slom).

**SCRep. 2392 (Joint) Water and Land and Hawaiian Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2953**

The purpose and intent of this measure is to require that if geothermal resources that are located on lands under the jurisdiction of the Department of Hawaiian Home Lands are mined, twenty percent of all royalties received by the State shall be paid to the county in which the geothermal resources are located, and twenty percent shall be paid to the Department of Hawaiian Home Lands.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Department of Hawaiian Home Lands. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies and one individual.

Your Committees find that although geothermal development in Hawaii has contributed to greater energy diversification of the State, the cultural, health, and environmental concerns related to the development of geothermal energy must be carefully and properly addressed and managed.

Your Committees find that this measure provides a fair allocation of geothermal mining royalties while providing a needed source of revenue to support the Department of Hawaiian Home Lands’ programs including homestead lot development, loans, and rehabilitation programs, and administration expenses to support these programs.

As affirmed by the records of votes of the members of your Committees on Water and Land, Hawaiian Affairs, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2953 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.

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Shimabukuro, Taniguchi, Slom).

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 2393 (Joint) Water and Land and Judiciary and Labor on S.B. No. 2966**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to provide for non-binding mediation of disputes regarding the fair market value of public lands in transactions involving the purchase, lease, or repurchase of the public lands and the fair market rental of public lands under lease when rentals are reopened, and also preserves the option of binding arbitration to resolve disputes when the mediation process fails to do so.

Your Committees received testimony in support of this measure from the Hilo Bay Printing Co., Ltd.; Citizens for Fair Valuation; and one individual. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that mediation is an effective method of resolving disputes that should be made available to resolve disputes regarding the fair market value or fair market rental of public lands in transactions involving the Board of Land and Natural Resources and private purchasers, owners, or leaseholders. The present statutory framework for the arbitration of such disputes is cumbersome and does not provide the parties an opportunity to work collaboratively toward mutual solutions to disputes.

As affirmed by the records of votes of the members of your Committees on Water and Land and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2966 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.

Water and Land

Ayes, 6; Ayes with Reservations (Thielen). Noes, none. Excused, 3 (Dela Cruz, Galuteria, Taniguchi).

Judiciary and Labor

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).



**SCRep. 2394 Water and Land on S.B. No. 2415**

The purpose and intent of this measure is to require the Department of Land and Natural Resources to develop and Office of Planning to approve a master plan for Ala Wai Harbor.

Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from the Office of Planning.

Your Committee finds that the development of Ala Wai Harbor has been an issue for at least the past twenty years. The Ala Wai Harbor is a gateway location for Waikiki and should be a standalone visitor attraction in itself. Your Committee believes that the time has come for the formation of a comprehensive master plan for the development of Ala Wai Harbor by an outside entity having the professional expertise, knowledge, and experience in planning harbor facilities.

Your Committee has amended this measure by:

- (1) Inserting an appropriation of \$1,500,000 for the preparation of a comprehensive master plan for the development of Ala Wai Harbor, to be done on a contract basis with a private entity;
- (2) Extending the deadline for completion of the comprehensive master plan to October 1, 2015;
- (3) Requiring the Office of Planning to assist the Department of Land and Natural Resources and the contracted private entity in the preparation of the comprehensive master plan by providing information and advice, and deleting all other obligations of the Office of State Planning under this measure;
- (4) Changing the effective date to July 1, 2014; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

If your Committee on Ways and Means is to consider passage of this measure, your Committee requests that consideration be made to determine whether the appropriation should come from general revenues, the harbor special fund, or a combination of both and, if a combination, the appropriate apportionment of percentages, such as fifty-fifty.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2415, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2415, 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, 3 (Dela Cruz, Ruderman, Slom).

**SCRep. 2395 (Joint) Water and Land and Energy and Environment on S.B. No. 2940**

The purpose and intent of this measure is to prohibit hydraulic fracturing and the collection, transport, storage, processing, or discharge of wastewater from hydraulic fracturing.

Your Committees received testimony in support of this measure from Kanaka Maoli o Puna, Hawaii Sustainable Community Alliance, Malu Aina, Paradise Action Womens Alliance, MoveOn.org, and numerous individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Indigenous Consultants LLC; Innovations Development Group; Hu'ena Power; and three individuals. Your Committees received comments on this measure from one individual.

Your Committees find that natural gas extraction may have negative consequences for the environment in which it takes place, as does all fossil fuel extraction. Fracking also releases carbon into the atmosphere, which contributes to global climate change. There is also evidence that fracking may contaminate the drinking water supply.

However, testimony on this measure indicates that there are no fracking operations anywhere in the State at this time, and there has never been any in the past. The soil composition of the Hawaiian islands, being porous in nature from lava formations, is unsuitable for fracking. Your Committees are concerned that this measure may be interpreted as prohibiting "drilling" in relation to geothermal resources, which is not the intent of your Committees.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Water and Land and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2940, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2940, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 8. Noes, none. Excused, 1 (Slom).

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 2396 (Joint) Water and Land and Higher Education on S.B. No. 3036**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii sea grant college program to conduct a study and create a North Shore beach management plan for the North Shore of Oahu.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Transportation, University of Hawai'i System, Kamehameha Schools, and eleven individuals. Your Committees received comments on this measure from two individuals.

Your Committees find that long-term protection of the northwest-facing North Shore beaches from Haleiwa to Kahuku, which are subject to a common wave regime and share common beach erosion characteristics, requires a comprehensive assessment and modern management plan that recognizes the risks of climate change and sea level rise. The large number of government, business, private, and community entities involved in the North Shore would benefit from participating in the development and implementation of a comprehensive beach management plan for this vulnerable area.

In 2010, the University of Hawaii sea grant college program successfully produced a beach and dune management plan for Kailua Beach, which provided an extensive analysis of the current state of this important beach and recommended management measures for federal, state, and local government, as well as community partners, in response to threats such as climate change and sea level rise. This study serves as a useful prototype for the implementation of beach management plans at other locations and demonstrates the effectiveness of location-specific beach management policies and practices, which the North Shore would greatly benefit from.

Your Committees find that the time for studies has since long passed and the time for actual planning is here. Your Committees are mindful that planning should be based on past studies, and testimony indicated that there is a plethora of past studies on the issue of erosion and sediment transport. Your Committees find that in order to expedite the planning, the focus should be on a smaller, highly used area of Sunset Beach to Waimea Bay.

Your Committees note that many years ago, Hawaiians warned of the dangers of building on the shoreline and urged that building occur mauka of the highway. The results of ignoring this admonition are evident in this measure.

Your Committees have amended this measure by:

- (1) Requiring the beach management plan to cover the area from Sunset Beach to Waimea Bay;
- (2) Deleting references to "study";
- (3) Deleting references to bike path planning, although the University of Hawaii may include this in the plan;
- (4) Deleting references to the green sea turtle;
- (5) Deleting section 4, as it is unnecessary;
- (6) Adding recommendations of the Department of Land and Natural Resources and University of Hawaii regarding the scope of the plan; and
- (7) 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 Water and Land and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3036, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3036, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 7. Noes, none. Excused, 2 (Dela Cruz, Slom).

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

**SCRep. 2397 (Joint) Water and Land and Energy and Environment on S.B. No. 2663**

The purpose and intent of this measure is to:

- (1) Require the use of an area or site within the conservation district for geothermal resources development to be governed by the Board of Land and Natural Resources (BLNR);
- (2) Authorize the counties to issue geothermal resource permits to allow geothermal resources development in an agricultural, rural, or urban district, even if the development is not considered a permissible use under the applicable county zoning ordinances or general plan, under certain conditions;
- (3) Clarify the permitting procedures for regulators and renewable energy developers considering geothermal resources development;
- (4) Include developers of geothermal resources under the definition of "renewable energy producer" in chapter 171, Hawaii Revised Statutes (HRS), to authorize the BLNR to lease or renew leases of public lands to geothermal resources developers without public auction, under certain conditions;
- (5) Reserve mineral rights for all minerals in, on, or under reserved lands to the State;
- (6) Require any renewable energy producer proposing to undertake mining operations to submit an application to the BLNR for a mining lease on state lands and set requirements for the BLNR to grant such an application;
- (7) Increase the maximum amount of fines for violations of chapter 182, HRS, or any rule adopted pursuant thereto;
- (8) Authorize the BLNR to set, charge, and collect administrative fines or bring legal action to recover administrative fines, fees, and costs or payment for damages resulting from a violation of chapter 182, HRS, or any rule adopted pursuant thereto; and

- (9) Require all penalties, fees, and costs established and collected by the Department of Land and Natural Resources to be deposited into the special land and development fund.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Indigenous Consultants LLC; Innovations Development Group; Hu'ena Power; Waimanalo Hawaiian Homes Association; Kapolei Community Development Corporation; and two individuals. Your Committees received testimony in opposition to this measure from Life of the Land, Puna Pono Alliance, and numerous individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that geothermal energy development and production is overseen by a variety of agencies. Most of these agencies are without sufficient resources and wherewithal to enforce proper oversight. This array of competing jurisdictional purviews is a hodgepodge and does not serve the interests of the counties, the State, or the public. The State has preempted much of the County of Hawaii's previous control over when, where, and how geothermal development might take place.

Your Committees believe that current law on geothermal development is in conflict. Act 97, Session Laws of Hawaii 2012 (Act 97), severely restricted geothermal development mainly by repealing county authority over geothermal development. Yet, current law in section 46-19, Hawaii Revised Statutes, provides for the development of alternative energy resources. That section states, "*Each of the counties may participate in the development of alternative energy resources defined as geothermal, solar, wind, ocean power, biomass and solid wastes in joint venture with an end user or public utility pursuant to a plan for the direct utilization of the energy sources by an end user or public utility; provided that should a joint-venture partner not be available the counties may proceed with the development of alternate energy resources for their own consumption or for the furtherance of a plan for direct utilization by an end user or public utility.*" (emphasis added)

Also, in the same year Act 97 was enacted, Act 193, Session Laws of Hawaii 2012, amended section 226-18, Hawaii Revised Statutes, relating to energy objectives of the Hawaii State Planning Act to read, "To further achieve the energy objectives, *it shall be the policy of this State to . . . [p]romote the development of indigenous geothermal energy resources* that are located on public trust land as an affordable and reliable source of firm power for Hawaii." (emphasis added)

Finally, your Committees believe that purchasing fossil fuel from out-of-state is not pono and costs the State dearly. The monies could be better spent to improve the quality of life in Hawaii.

Your Committees has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Water and Land and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2663, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2663, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 8; Ayes with Reservations (Ihara, Ruderman, Shimabukuro, Thielen). Noes, none. Excused, 1 (Slom).

Energy and Environment

Ayes, 3; Ayes with Reservations (Ihara, Ruderman). Noes, none. Excused, 2 (Chun Oakland, Slom).

#### **SCRep. 2398 Energy and Environment on S.B. No. 3008**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Anaergia Inc. with the development of facilities for renewable non-fossil fuel energy production in Maui.

Your Committee received testimony in support of this measure from the Maui County Department of Environmental Management, Ulupono Initiative, and Anaergia Services, LLC. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that support for the development of renewable and efficient energy systems in the State, which is geographically isolated from sources of oil, continues to be in the public interest. Anaergia Inc. is a global leader in offering sustainable solutions for the generation of renewable energy and the conversion of waste to resources.

Your Committee further finds that Anaergia Inc. proposes to build, own, and operate a material recovery facility to recover recyclable materials like plastic, paper, and glass; an anaerobic digester to convert organics like municipal sludge and food waste to renewable natural gas and compost; and a facility to convert energy crops into renewable natural gas or renewable electricity.

Your Committee requests that the applicant of the special purpose revenue bonds submit to your Committee by April 11, 2014, copies of letters from the Department of Business, Economic Development, and Tourism and Department of Budget and Finance stating that the agencies have received and reviewed the applicant's business plan; provided that the agencies are not required to give approval or render a conclusion in the letter.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage 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. 3008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3008, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2399 Energy and Environment on S.B. No. 2856**

The purpose and intent of this measure is to appropriate funds for environmental health programs through the environmental response revolving fund.

Your Committee received testimony in support of this measure from the Department of Health and one individual.

Your Committee finds that the Department of Health receives 5 cents from the \$1.05 tax levied on barrels of crude oil imported into the State. These monies are deposited into the environmental response revolving fund, which supports oil spill response and environmental clean ups to protect Hawaii's beaches from oil pollution and protect Hawaii's visitors and residents from chemical contamination.

Your Committee further finds that the environmental response revolving fund balance is dangerously low due to reduced consumption of crude oil, while the demand for hazard evaluation and response has increased in recent years due to events like the Tohoku earthquake and tsunami, Honolulu Harbor molasses spill, and several ground soil contaminations. A one-time appropriation of general funds will bridge the funding gap to meet the needs of the immediate future.

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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2856, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2856, 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 (Ihara, Slom).

**SCRep. 2400 Energy and Environment on S.B. No. 2756**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist a processing enterprise to process sewage to create sewage derived fuel.

Your Committee received testimony in support of this measure from LYON Associates, Inc., and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the growth of the State's population increases the amount of sewage. Waste treatment is becoming increasingly expensive for the State and the counties.

The current technology of burning fossil fuels to produce electricity contributes immensely to climate change and global warming. An alternative technology processes sewage by drying it and extracting solids therefrom to produce a product that can be burned to produce energy. The energy produced in this manner is environmentally friendly and renewable.

Your Committee requests that the applicant of the special purpose revenue bonds submit to your Committee by April 11, 2014, copies of letters from the Department of Business, Economic Development, and Tourism and Department of Budget and Finance stating that the agencies have received and reviewed the applicant's business plan; provided that the agencies are not required to give approval or render a conclusion in the letter.

Your Committee has amended this measure by:

- (1) Specifying that the Department of Budget and Finance is authorized to issue special purpose revenue bonds to assist Clean Communities, LLC, a Hawaii limited liability company;
- (2) Inserting an effective date of July 1, 2050, to encourage 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2756, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2401 (Joint) Energy and Environment and Commerce and Consumer Protection on S.B. No. 2656**

The purpose and intent of this measure is to require the Public Utilities Commission to:

- (1) Adopt rules for improved accessibility to safely and reliably connect to the Hawaii electric system for any person, business, or entity on the Hawaii electric system; and
- (2) Initiate a proceeding no later than July 1, 2014, to discuss upgrades to the Hawaii electric system and the use of advanced grid modernization technology for anticipated growth of customer generation.

Your Committees received testimony in support of this measure from the Renewable Energy Action Coalition of Hawaii; Hawaii Sustainable Community Alliance; League of Women Voters of Hawaii; Hawaii PV Coalition; Hawaii Solar Energy Association; The Alliance for Solar Choice; Blue Planet Foundation; Hawaii Renewable Energy Alliance; Earthjustice; The Pacific Resource Partnership; Sierra Club of Hawaii; Inter-Island Solar Supply; Hawaii Energy Connection; RevoluSun; SolarCity; Sunrun; Hawaii Health Services, Inc.; Capital Electric and Energy Solutions; R & R Solar Supply; Rising Sun Solar; and one hundred ninety-five individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received

comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs; Public Utilities Commission; Life of the Land; Hawaiian Electric; and two individuals.

Your Committees find that the increasing deployment of customer generation in Hawaii is in the public interest, lessening Hawaii's dependence on imported oil, creating thousands of jobs, fostering billions of dollars of economic activity, and giving tens of thousands of households and businesses access to reasonably priced electricity. Customer generation will play a major role in supplying the State's future electricity needs and meeting clean energy goals. Additionally, appropriate investments in energy storage and smart grid improvements are vital to achieve Hawaii's robust clean energy goals.

Your Committees further find that technical and economic barriers are preventing Hawaii customer-generators from interconnecting to the Hawaii electric system in a timely manner. If these technical and economic barriers are not addressed, a number of undesirable scenarios may result, including irreparable loss of jobs in the nascent solar industry and an ever increasing number of Hawaii residents disconnecting from the Hawaii electric system. Several technical, policy, and economic issues need to be addressed in trying to move forward in modernizing Hawaii's electricity grid.

Your Committees have amended this measure by deleting its contents and inserting language to:

- (1) Require the Public Utilities Commission to commence a proceeding by July 1, 2014, to address the technical, policy, and economic issues associated with the modernization of Hawaii's electricity grid and consider:
  - (A) Development of a diverse portfolio of renewable energy resources;
  - (B) Expanded options for customers to manage their energy use;
  - (C) The manner in which distributed generation shall be allowed access to grid interconnection without discriminatory terms, with fair and reasonable rates; and
  - (D) Providing fair payment for grid services provided to customers and fair compensation to customers for services provided to the grid by distributed generation;
- (2) Require the Public Utilities Commission to submit a report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016;
- (3) Exempt the Public Utilities Commission and Division of Consumer Advocacy from procurement procedures of any professional services needed to conduct the proceeding pursuant to this measure;
- (4) Insert an appropriation of \$750,000 for fiscal year 2014-2015 for the Public Utilities Commission to conduct the proceeding pursuant to this measure;
- (5) Insert an appropriation of \$750,000 for fiscal year 2014-2015 for the Division of Consumer Advocacy to represent the interests of all consumers in the course of the proceeding pursuant to this measure; and
- (6) Insert an effective date of July 1, 2050, to encourage further discussion.

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. 2656, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2656, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Taniguchi).

**SCRep. 2402 (Joint) Energy and Environment and Water and Land on S.B. No. 2344**

The purpose and intent of this measure is to:

- (1) Address climate change adaptation by establishing an Interagency Climate Council, headed by the Sustainability Coordinator, with the task of implementing a general state policy to address climate change through 2050; and
- (2) Require the Sustainability Coordinator to create initial reports identifying expected climate impacts;
- (3) Require the Office of Planning to establish and implement strategic climate adaptation plans and policy recommendations based on the reports by the Sustainability Coordinator; and
- (4) Appropriate funds to assist the Sustainability Coordinator and Interagency Climate Council.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Health; State Sustainability Coordinator; Office of Planning; University of Hawaii; Nature Conservancy; Democratic Party of Hawaii; Life of the Land; Disaster Resilience, LLC; and two individuals. Your Committees received testimony in opposition to this measure from two individuals. Your Committees received comments on this measure from the Building Industry Association of Hawaii, Windward Ahupua'a Alliance, The Chamber of Commerce of Hawaii, and two individuals.

Your Committees find that climate change is the paramount challenge of this century, posing both an urgent and long-term threat to the State's economy, sustainability, security, and way of life. Rising sea levels will increase coastal flooding and erosion, damaging coastal ecosystems and infrastructure and affecting agriculture, tourism, military bases, and other industries. Threats to the traditional

lifestyles of indigenous communities may include destruction of coastal artifacts and structures and reduced availability of traditional food sources and subsistence fisheries, which will make it difficult for Pacific Island communities to sustain their connection with a defined place and their unique set of customs, beliefs, and languages.

Your Committees further find that beach erosion, drought, and rising temperature are already having measurable impacts on Hawaii and are expected to accelerate in the years to come. With beaches continuing to erode, rain continuing to diminish, and sea levels projected to rise one foot by 2050 and three feet by 2100, Hawaii is highly vulnerable. The State needs to adapt to the effects of climate change, particularly sea level rise, before they grow beyond our ability to prevent the worst impacts on our economy, environment, and way of life.

Your Committees have amended this measure by:

- (1) Deleting language that would have established the Interagency Climate Council;
- (2) Inserting language to establish an Interagency Sea Level Rise Vulnerability and Adaptation Committee within the Department of Land and Natural Resources;
- (3) Inserting language to require the Interagency Sea Level Rise Vulnerability and Adaptation Committee to submit a sea level rise vulnerability and adaptation report for Hawaii through the year 2050 by December 31, 2017;
- (4) Inserting language to specify additional members of the Interagency Sea Level Rise Vulnerability and Adaptation Committee;
- (5) Inserting language related to the formulation of the sea level rise vulnerability and adaptation report;
- (6) Inserting language to require the Interagency Sea Level Rise Vulnerability and Adaptation Committee to reevaluate the sea level rise vulnerability and adaptation report every five years;
- (7) Amending the Office of Planning's duties to require the Office to conduct plans and studies and prepare reports to:
  - (A) Develop, monitor, and evaluate strategic climate adaptation plans and actionable policy recommendations addressing expected statewide climate change impacts;
  - (B) Provide planning and policy guidance and assistance to state and county agencies regarding climate change; and
  - (C) Publish its findings, recommendations, and progress reports on actions taken no later than December 31, 2017, and its annual report to the Governor and Legislature;
- (8) Amending the appropriation to the Office of Planning by changing the appropriation amount to \$58,874, for one full-time equivalent (FTE) position and resources to carry out the purposes of this measure;
- (9) Inserting an appropriation to provide the Department of Land and Natural Resources with staffing, including one full-time equivalent (FTE) position, and resources to carry out the purposes of this measure;
- (10) Amending language that would have appropriated funds to the Office of the Governor to appropriate \$400,000 to assist the Department of Land and Natural Resources in researching and developing a coordinated, multidisciplinary sea level rise vulnerability and adaptation report;
- (11) Amending language that would have appropriated funds to the Office of the Governor to appropriate \$50,000 to the Office of Planning to carry out its duties pursuant to this measure; and
- (12) 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 Energy and Environment and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2344, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2344, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

Water and Land  
Ayes, 7. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 2403 (Joint) Economic Development, Government Operations and Housing and Technology and the Arts on S.B. No. 2981**

The purpose and intent of this measure is to amend state plan policies, objectives, and priority guidelines to promote and encourage innovative activity in the economy.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; Office of Information Management and Technology; High Technology Development Corporation; Hawaii Strategic Development Corporation; and The Chamber of Commerce of Hawaii.

Your Committees find that there is a strategic need to develop new growth sectors for the State's economy to be globally competitive. With regard to telecommunications and information technology, broadband and wireless communication capability, infrastructure, and advancement will play crucial roles in innovating Hawaii's economy. Planning a framework that prioritizes and coordinates Hawaii's efforts to develop new growth sectors, such as telecommunications and information technology, will encourage innovative activity and entrepreneurship.

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 Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2981, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2981, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (Baker).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2404 (Joint) Economic Development, Government Operations and Housing and Technology and the Arts on S.B. No. 2419**

The purpose and intent of this measure is to require the Board of Directors of the High Technology Development Corporation to develop a sports-technology district and designate certain properties to be included in the district.

Your Committees received testimony in support of this measure from the Stadium Authority and The Chamber of Commerce of Hawaii. Your Committees received comments on this measure from the Department of Land and Natural Resources, Hawaii Housing Finance and Development Corporation, and High Technology Development Corporation.

Your Committees find that other cities have created hubs centered on sports and technology to foster innovation and facilitate economic growth. A sports-technology district will encourage sports-technology companies to relocate to the district; promote building and facility reuse to create jobs and workforce housing options near Aloha Stadium; provide a variety of commercial, residential, and athletic options for a wide range of people; and inspire a community identity that promotes sports activity and technology.

Your Committees have amended this measure by deleting its contents and inserting language to:

- (1) Require the Stadium Authority to work with the High Technology Development Corporation, Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, Department of Education, and all other state agencies within a one-half mile radius of the proposed Aloha Stadium rail station to develop a regional plan for a sports-technology district; and
- (2) Require the Stadium Authority to submit its plan, findings, and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2419, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2419, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Thielen).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Tokuda).

**SCRep. 2405 Economic Development, Government Operations and Housing on S.B. No. 2322**

The purpose and intent of this measure is to:

- (1) Create a capital infrastructure tax credit for tenants who are displaced by the Kapalama container terminal project;
- (2) Allow banks and other financial corporations the ability to claim the capital infrastructure tax credit;
- (3) Allow allocations of the capital infrastructure tax credit to a partner under a partnership agreement even if the allocation does not have substantial economic effect; and
- (4) Reestablish the technology infrastructure renovation tax credit for taxable years beginning after December 31, 2013, and ending on December 31, 2019.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, Pacific Shipyards International, and ninety-three individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Transportation, and Tax Foundation of Hawaii.

Your Committee finds that the development of a new overseas container terminal and piers at the lower Kapalama military reservation site requires improvements on fast and submerged lands associated with piers twenty-four through twenty-eight to accommodate maritime dependent operators at Kapalama who are to be evicted and displaced. The total cost for the proposed master plan at the Kapalama site is estimated to be \$243,000,000, which is being financed entirely by the State through revenue bonds and revenues from harbor tariffs and leases. None of these funds, however, will go toward assisting displaced maritime and waterfront dependent tenants of the Kapalama site. The displaced tenants will be relocated to various piers that have limited infrastructure,

facilities, and utilities. These tenants must find ways to finance not only their move, but also significant capital improvements to state-owned land.

Your Committee has amended this measure by:

- (1) Inserting a definition for “capital infrastructure costs”;
- (2) Inserting language to recapture an unspecified amount of the tax credit claimed under this measure if the qualified infrastructure tenant does not meet certain conditions at the close of any taxable year;
- (3) Deleting language related to the applicability of the capital infrastructure tax credit to banks and other financial corporations, as section 241-6, Hawaii Revised Statutes, already authorizes all provisions of chapter 235, Hawaii Revised Statutes, not inconsistent with chapter 235 and applicable to banks and other financial institutions subject to chapter 241, Hawaii Revised Statutes, to be applicable to the taxes imposed by chapter 235;
- (4) Inserting language to clarify that the technology infrastructure renovation tax credit is being reestablished and will be available, through this reestablishment, for taxable years beginning after December 31, 2013, and ending on December 31, 2019;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; 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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2322, 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 (Baker, Wakai).

**SCRep. 2406 Economic Development, Government Operations and Housing on S.B. No. 2558**

The purpose and intent of this measure is to establish the enhanced use lease program to allow state agencies and departments to rent or lease underutilized property or facilities to private partners in return for in-kind services or cash in lieu of rent.

Your Committee received comments on this measure from the Department of Accounting and General Services.

Your Committee finds that the United States has used enhanced use leases for funding construction or renovation on federal property by allowing a private partner to lease underutilized property and pay rent in the form of cash or in-kind services. The advantages to the private partner include establishment in a convenient location and the opportunity to provide sole-source services and products in lieu of rent for the lease. Additionally, the advantages for the federal agency offering the enhanced use lease include the possibility of fast-tracking alterations, repairs, or new construction so that the improved space becomes available for lease, and the receipt of in-kind considerations or cash to no less than the fair market value of the property as rent by the private partner.

Your Committee further finds that a state enhanced use lease program has the potential to unleash captive value from property or facilities, reduce operation and maintenance requirements, attract tenants who are synergistic with the mission of the agency or department, provide cash or an in-kind funding source for needed and unfunded projects, stimulate local economy, and improve community relations. In addition, enhanced use leases benefit the community through job creation, economic stimulus, potential tax revenues, and the potential to fulfill the objectives of the local jurisdiction.

Your Committee has heard testimony of the Department of Accounting and General Services expressing concerns related to the payments made by the state agency to the developer for performing the “in-kind” services and the responsibilities of the state agency for procuring a developer for the master lease agreement, particularly in regard to lacking the jurisdictional authority to administering the master lease agreement and collecting fair market rent from tenants. Your Committee finds that these issues raise concerns that merit further consideration and requests that your Committee on Ways and Means further examine those issues and concerns if your Committee on Ways and Means considers passage of this measure.

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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2558, 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 (Baker, Wakai).

**SCRep. 2407 Economic Development, Government Operations and Housing on S.B. No. 2697**

The purpose and intent of this measure is to:

- (1) Amend the procedures of the Hawaii Community Development Authority to require additional public notice and public input for development projects and rule changes;
- (2) Establish additional requirements for the Hawaii Community Development Authority before granting approval for development projects; and



- (3) Create an appeal process for the actions and decisions of the Hawaii Community Development Authority.

Your Committee received testimony in support of this measure from the Historic Hawaii Foundation; Malama Makaha; UNITE HERE, Local 5; Hawaii's Thousand Friends; and forty-five individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Construction Alliance, The Howard Hughes Corporation, and Laborers' International Union of North America Local 368. Your Committee received comments on this measure from the Department of the Attorney General; The Chamber of Commerce of Hawaii; Building Industry Association of Hawaii; The Pacific Resource Partnership; Kamehameha Schools; Alexander & Baldwin, Inc.; Hawaii Regional Council of Carpenters; and three individuals.

Your Committee finds that the Legislature established the Hawaii Community Development Authority in 1976 as a public entity to plan new and innovative forms of urban redevelopment and renewal to meet certain community needs, especially the provision of low- and moderate-income housing located in residential and mixed-use areas with sufficient public facilities and services. To ensure that comprehensive and coordinated development plans were executed by and for the community, the Authority was explicitly required to engage affected communities in area development plans and projects.

Your Committee further finds that development projects that do not comply either with legislative goals or the applicable development plans established for community development districts have been permitted, sometimes on an accelerated basis. The approval processes for proposed projects also lack accountability and transparency which are to the detriment of the communities affected.

Your Committee has amended this measure by:

- (1) Inserting language to require the Hawaii Community Development Authority to hold at least one public hearing for each proposed project in the evening or on the weekend;
- (2) Inserting language to require the Hawaii Community Development Authority to give ten-day notice to the public for at least one of its public hearings for each proposed project;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2697, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Baker).

**SCRep. 2408 (Joint) Economic Development, Government Operations and Housing and Water and Land and Agriculture on S.B. No. 3065**

The purpose and intent of this measure is to:

- (1) Require the State to exchange certain lands for certain agricultural and conservation lands owned by the Dole Food Company, Inc., then transfer the acquired lands to various state agencies;
- (2) Expand the Kalaeloa Community Development District;
- (3) Establish the Whitmore project facility revenue bond special fund into which proceeds from revenue bonds shall be deposited for purchasing certain parcels of land from Dole Food Company, Inc.; and
- (4) Appropriate funds to acquire the specified lands owned by Dole Food Company, Inc.

Your Committees received testimony in support of this measure from the Agribusiness Development Corporation, Hawaii Rifle Association, Wahiawa Community and Business Association, The Trust for Public Land, Dole Food Company Hawaii, and two individuals. Your Committees received testimony in opposition to this measure from the Department of the Attorney General, Department of Land and Natural Resources, and Office of Hawaiian Affairs. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Hawaiian Home Lands, Hawaii Housing Finance and Development Corporation, University of Hawaii System, and University of Hawaii Board of Regents.

Your Committees find that in December of 2012, the State purchased 1,750 acres of agricultural land in central Oahu. Surrounding these lands are approximately twenty thousand acres of agricultural and conservation lands owned by Dole Food Company, Inc. These lands have been listed for sale at \$175,000,000.

Your Committees further find that there is a continuing need to protect and preserve unique natural assets, both for the enjoyment of future generations and to establish base lines for environmental impact. The present system of preserves, sanctuaries, and refuges must be strengthened, and additional areas of land suitable for agriculture and preservation should be set aside. These additional areas of land may contain rare species of plants and animals, portions of the State's major watershed areas, and prime agricultural lands.

Your Committees have amended this measure by:

- (1) Amending language in the findings to clarify that the purpose of this measure is to appropriate funds to investigate the possibility of exchanging state land for certain lands owned by Dole Food Company, Inc., and for costs of executing the exchange if appropriate state land is found;
- (2) Deleting language that would have required the State to exchange lands for certain agricultural and conservation lands owned by Dole Food Company, Inc.;

- (3) Deleting language that would have expanded the Kalaeloa Community Development District;
- (4) Deleting language that would have established the Whitmore project facility revenue bond special fund;
- (5) Deleting language that would have appropriated funds out of the Whitmore project facility revenue bond special fund to acquire certain lands from Dole Food Company, Inc.;
- (6) Inserting language to appropriate general revenues for fiscal year 2014-2015 to investigate the possibility of acquiring certain lands owned by Dole Food Company, Inc., and for costs of executing the exchange; and
- (7) 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 Economic Development, Government Operations and Housing, Water and Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3065, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3065, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Wakai).

Water and Land  
Ayes, 6. Noes, none. Excused, 3 (Ihara, Ruderman, Taniguchi).

Agriculture  
Ayes, 6. Noes, none. Excused, 1 (Wakai).

**SCRep. 2409 (Joint) Economic Development, Government Operations and Housing and Commerce and Consumer Protection on S.B. No. 2463**

The purpose and intent of this measure is to prohibit governmental procurement contracts of any amount that are exclusively for the services of contractors, engineers, architects, surveyors, or landscape architects, from requiring the person to defend the governmental body against liability not arising from the contractor's own negligence or fault; provided that the contractor may still be required to indemnify and hold harmless the governmental body from claims arising out of or resulting from the negligent, reckless, or wrongful acts, errors, or omissions of the contractor, engineer, architect, surveyor, or landscape architect.

Your Committees received testimony in support of this measure from the American Council of Engineering Companies of Hawaii; Building Industry Association of Hawaii; General Contractors Association of Hawaii; Subcontractors Association of Hawaii; American Society of Civil Engineers; Sam O. Hirata, Inc.; Brown and Caldwell; Yogi Kwong Engineers, LLC; Healy Tibbitts Builders, Inc.; Gary, Hong, Nojima and Associates, Inc.; Waltz Engineering, Inc.; The Limtiaco Consulting Group, Inc.; Pacific Geotechnical Engineers, Inc.; S & M Sakamoto, Inc.; and one individual. Your Committees received testimony in opposition to this measure from the State Procurement Office and Hawaii Insurers Council. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that contracts for public works often include a duty to defend clause, requiring the contractor to defend governmental entities before the contractor's negligence or fault is determined. Public works often involve large risks due to site circumstances, public environmental concerns, and high public usage. Highways and public buildings have necessarily long service lives relative to other services procured, thereby increasing the contractor risk beyond that of other government contracts.

Your Committees further find that although some state and county agencies recognize the negative implications of the duty to defend clause and have removed it, inconsistency among agencies and departments still exists. This clause is detrimental in the long term by negatively affecting competition for contracts and innovation.

Your Committees have amended this measure by:

- (1) Inserting findings to clarify that for higher limits, the insurance industry does not provide reasonable coverage for another party's defense costs if the design professional is not negligent; thus, design professionals would not be burdened with the duty to defend and do not require the protections proposed by this measure;
- (2) Amending language in the findings to clarify that the purpose of this measure is to provide certain limits on the duty to defend for persons licensed under chapter 444, Hawaii Revised Statutes;
- (3) Deleting amendments that would have prohibited duty to defend clauses in government procurement contracts that are exclusively for the services of a person licensed under chapter 444 or 464, Hawaii Revised Statutes;
- (4) Inserting language that provides that beginning July 1, 2014, the requirement for persons licensed under chapter 444, Hawaii Revised Statutes, to defend the governmental body, or its officers, employees, or agents, from claims arising out of the contractor's performance under the contract shall not extend beyond the expiration of the time limitation in section 657-8, Hawaii Revised Statutes;
- (5) Inserting language to specify that no person licensed under chapter 464, Hawaii Revised Statutes, that has agreed in any contract to defend a governmental body shall be required to defend the governmental body in a lawsuit filed more than ten years beyond the owner's final acceptance of the project;
- (6) Deleting language that defined "governmental body";
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and

(8) 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 Economic Development, Government Operations and Housing 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. 2463, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2463, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (English).

Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Taniguchi).

**SCRep. 2410 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 2004**

The purpose and intent of this measure is to allow the home care licensing program to begin operation by extending the sunset date of Act 21, First Special Session Laws of Hawaii 2009, by five years to June 30, 2019.

Your Committees received testimony in support of this measure from the Department of Health and Healthcare Association of Hawaii. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that home care agencies are essential to assisting Hawaii's growing population of elderly individuals with aging at home. Home care agencies help ensure Hawaii's kupuna are kept safe. Therefore, the public must be assured that home care agencies are meeting minimum standards when delivering care. Your Committees further find that Act 21, First Special Session Laws of Hawaii 2009, was enacted to require home care agencies to be licensed, and the Department of Health's draft rules for implementation of licensing are in the last stages of the approval process.

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. 2004 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.

Human Services  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Green, Taniguchi).

Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 2411 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 2005**

The purpose and intent of this measure is to establish initial funding to begin the licensing process for home care agencies by appropriating \$150,000 to the Department of Health for one full-time equivalent (1.00 FTE) permanent position.

Your Committees received testimony in support of this measure from the Department of Health and Healthcare Association of Hawaii.

Your Committees find that the majority of the growing elderly population prefers to age at home. Your Committees further find that it is important to safeguard this population and ensure the safety of individuals receiving care in their home, by licensing home care agencies. Your Committees received testimony from the Department of Health expressing concern that the full-time position created by this measure would be funded through special funds and should instead be funded through general revenues.

Your Committees have amended this measure by adding language to clarify that it is not the Legislature's intent that the position in the Department of Health to facilitate licensing of home care agencies be funded by monies in the office of health care assurance special fund.

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. 2005, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2005, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Green, Taniguchi).

Commerce and Consumer Protection  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 2412 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 2345**

The purpose and intent of this measure is to support and protect Hawaii's kupuna by appropriating \$50,000 to the Office of the Securities Commissioner for the continued operation of the investor education program targeted to kupuna.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committees find that elderly citizens are often victimized by consumer and financial fraud such as identity theft, investment fraud, and health care fraud. Your Committees further find that fighting abuse and fraud against the elderly presents unique challenges in Hawaii because the State's population is aging much faster than the national average and Hawaii's kupuna population is more diverse than in any other state. The investor education program within the Department of Commerce and Consumer Affairs provides kupuna with education and outreach, including information about how to make wise choices when investing and how to detect financial fraud.

Your Committees have amended this measure by:

- (1) Expanding the scope of the appropriation to include investor and other related financial programs to allow the Department of Commerce and Consumer Affairs more flexibility in educating Hawaii's kupuna about fraudulent investment schemes; and
- (2) 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. 2345, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2345, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 2413 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 2479**

The purpose and intent of this measure is to require Med-QUEST and Medicaid to cover the cost of chiropractic services, limited to twenty-four visits per calendar year.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association, Hawaii State Chiropractic Association, and four individuals. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that chiropractic care has been demonstrated to help directly target many health conditions. Your Committees further find that more than twenty-five states include chiropractic care in their Medicaid programs, and the Centers for Medicare and Medicaid Services list chiropractic as a pre-approved service for Medicaid.

Your Committees have amended this measure by substituting the term "QUEST Integration" for all references to QUEST to reflect the combination of two programs within the Department of Human Services.

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. 2479, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2479, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 2414 (Joint) Human Services and Economic Development, Government Operations and Housing on S.B. No. 2538**

The purpose and intent of this measure is to establish the Hawaii home loan guarantee program to assist residents who have a steady, low or modest income, and yet are unable to obtain conventional financing to obtain a home loan.

Your Committees received testimony in support of this measure from the City Council of the City and County of Honolulu, and Community Alliance for Mental Health. Your Committees received comments on this measure from the Department of Budget and Finance, Hawaii Housing Finance and Development Corporation, and Blueprint for Change.

Your Committees find that helping individuals and families move out of rental housing and into homeownership is valuable for individuals and families, and also for society as it frees up spaces in rental and public housing. Your Committees heard testimony expressing concern that this measure does not go far enough to help low-income families who have adequate, dependable income and an acceptable credit history obtain home loans.

Your Committees have amended this measure by:

- (1) Creating a direct home loan program rather than a home loan guarantee program by specifically:
  - (A) Establishing home loans that come directly from the Hawaii Housing Finance and Development Corporation;
  - (B) Requiring qualified applicants to have low or very low income and defining those terms;
  - (C) Extending the term of the loan to at least thirty-three years, and allowing for a thirty-eight year term for borrowers with incomes below sixty percent of the area median income who cannot afford a thirty-three year term;

- (D) Establishing that interest rates are to be determined by the Corporation and must be based on the individual or family's income;
- (E) Requiring qualified applicants to refinance their loans in the private market when household income increases substantially or home equity becomes significant; and
- (F) Amending terms and restrictions for the home loans;
- (2) Changing the home loan guarantee revolving fund to the direct home loan special fund;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2538, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2538, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Economic Development, Government Operations and Housing

Ayes, 4. Noes, none. Excused, 3 (Baker, English, Wakai).

**SCRep. 2415 Human Services on S.B. No. 2798**

The purpose and intent of this measure is to increase the Attorney General's ability to prosecute medical assistance recipient fraud.

Your Committee received testimony in support of this measure from the Department of Human Services and Department of the Attorney General.

Your Committee finds that the Attorney General's ability to prosecute medical assistance fraud aids in the recovery of restitution and serves as a deterrent to recipient fraud. Many incidents of fraud are not discovered until after the statute of limitation has expired. This measure strengthens the State's ability to seek restitution, extends the statute of limitations to three years after discovery of the offense but within six years after commission of the offense, and clarifies the authority to prosecute for information submitted electronically.

Your Committee has amended this measure by:

- (1) Specifying that the restitution to be paid applies to convictions under section 346-43.5(a)(1), Hawaii Revised Statutes, in addition to convictions under section 346-43.5(a)(2), Hawaii Revised Statutes; and
- (2) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2798, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2416 Education on S.B. No. 2139**

The purpose and intent of this measure is to:

- (1) Apply the requirements for all public secondary schools to implement a school year that includes nine hundred ninety student instructional hours to all school years beginning with the 2014-2015 school year;
- (2) Repeal the requirement that by the 2016-2018 school years, all public schools implement a school year of one hundred eighty days and one thousand eighty student instructional hours for elementary and secondary school grades; and
- (3) Clarify that the definition of "student instructional hours" shall be determined by the Board of Education.

Your Committee received testimony in support of this measure from the Department of Education, IMUAlliance, and two individuals. Your Committee received testimony in opposition to this measure from the Hui for Excellence in Education, Hawaii State Teachers Association, and three individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that currently, to comply with the requirement that a school year include one thousand eighty student instructional hours, most secondary schools would need to add on average five minutes per class period. It is unknown at this time what benefit this limited increase would be when weighed against the increased operational costs the Department of Education would incur from such a change, including additional compensation for teachers and increases in utility costs.

Your Committee also concurs with the Department of Education's finding that the important issue that Act 167, Session Laws of Hawaii 2010, and Act 52, Session Laws of Hawaii 2011, have raised is the equity of learning time for students, especially given the fact that there has been as much as a two month difference in time between secondary schools, and this must be balanced with a focus on quality use of time and student results.

Your Committee further finds that another pertinent issue is providing clarity on the definition of “student instructional hours”. For example, some schools require students to work on projects that include a number of hours of self-directed work but require little classroom time, so such time may not be counted toward instructional hours. In addition, many students and teachers engage in afterschool activities that are instructional in nature but may not count toward instructional time because they occur outside of the classroom.

By delegating the authority to define student instructional hours to the Board of Education, schools will be provided with the requested flexibility necessary for scheduling purposes, while at the same time increasing access to those teachable moments where students learn best.

Your Committee has amended this measure by:

- (1) Inserting language to require the Board of Education to consult with the exclusive representatives of the appropriate bargaining units in defining “student instructional hours”;
- (2) Making a conforming amendment, deleting the requirement for submission of a plan by the Department of Education to implement, beginning with the 2018-2019 school year, a school year of one hundred ninety days at certain schools;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2139, 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. 2417 (Joint) Education and Higher Education on S.B. No. 2610**

The purpose and intent of this measure is to require, by the end of the 2015-2016 school year, that:

- (1) Every public school, charter school, and the University of Hawaii have one automated external defibrillator (AED) situated in a permanent location on campus;
- (2) Public schools and charter schools that have athletic trainers, as well as the University of Hawaii, have an additional AED available at every sporting event;
- (3) Athletic trainers be trained and certified on the use of AEDs; and
- (4) Public schools and charter schools that do not have athletic trainers have at least two faculty members at every sporting event who are trained and certified on the use of AEDs.

Your Committees received testimony in support of this measure from the United Public Workers, AFSCME, Local 646, AFL-CIO; Hawaii Association of Independent Schools; and twenty-two individuals. Your Committees received testimony in opposition to this measure from the Department of Education. Your Committees received comments on this measure from the American Heart Association, AED Institute, Hawaii Athletic Trainers Association, and one individual.

Your Committees find that AEDs are an important tool in responding to emergency situations. In addition, your Committees find that AEDs have been used on several occasions over the past few years to save the lives of student athletes, teachers, athletic coaches, and spectators of sporting events.

Your Committees recognize the concerns raised by the Department of Education as to the fiscal and practical implications this measure will have. In addition, your Committees note that as middle school athletic programs continue to grow and expand, the implications of this measure and concussion awareness education will need to be examined further.

Your Committees have amended this measure by:

- (1) Placing the language for all AED-related requirements for public schools, charter schools, and the University of Hawaii in session law rather than codifying these requirements in the Hawaii Revised Statutes;
- (2) Removing language requiring that AEDs be checked for readiness after every use and at least once every thirty days;
- (3) Inserting an appropriation of \$2,200,000 to the Department of Education for the purchase and maintenance of AEDs and for related training;
- (4) Inserting an appropriation for an unspecified amount to the University of Hawaii for the purchase and maintenance of AEDs and for related training;
- (5) Establishing a working group consisting of representatives from the Department of Education, University of Hawaii System, and any interested stakeholder groups, and requiring the working group to develop policies, procedures, and best practices related to the use of AEDs, as well as to develop a model school emergency response plan for distribution and implementation at all public schools, charter schools, and University of Hawaii campuses;
- (6) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (7) 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 Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2610, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2610, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Kidani).

**SCRep. 2418 (Majority) Tourism on S.B. No. 2774**

The purpose and intent of this measure is to:

- (1) Establish a tax on annual destination club dues apportioned to the State; and
- (2) Require destination club membership plan managers to register with the Department of Taxation and keep records of annual destination club dues apportioned to the State.

Your Committee received testimony in support of this measure from Exclusive Resorts. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that destination clubs, which have a fundamentally unique business model, own various properties in multiple states or countries. These clubs provide their members, who pay membership dues, with the right to use or occupy the destination club's facilities in the various locations, although members do not own any interest in those facilities.

Your Committee further finds that the Hawaii Intermediate Court of Appeals recently ruled that destination clubs are not time share plans as defined and governed by chapter 514E, Hawaii Revised Statutes. Therefore, destination clubs are subject to the State's general excise tax under chapter 237, Hawaii Revised Statutes, but not subject to the transient accommodations tax imposed under chapter 237D, Hawaii Revised Statutes. This measure ensures that destination clubs that own facilities in Hawaii are subject to chapter 237D, Hawaii Revised Statutes, in a fair and equitable manner.

Your Committee additionally finds that amendments to the formula used to tax annual destination club dues are necessary, to ensure that the tax treatment of destination clubs is similar to other transient accommodations operators.

Accordingly, your Committee has amended this measure by:

- (1) Amending the definition of "annual destination club dues apportioned to the State" to mean the total amount of initiation and annual dues received by the destination club organization each year, divided by the number of units around the world, multiplied by the number of units in Hawaii;
- (2) Clarifying that the formula used to tax annual destination club dues apportioned to the State shall be seven percent of seventy-five percent of the annual destination club dues apportioned to any destination club unit located in the State, divided by 365, multiplied by the number of nights the accommodation is occupied during the taxable year, and requiring that the seven percent tax shall also be levied and assessed on seventy-five percent of any additional amounts received by the destination club in exchange for furnishing the destination club unit; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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. 2774, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2774, 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 (Ige).

**SCRep. 2419 (Joint) Tourism and Water and Land on S.B. No. 2430**

The purpose and intent of this measure is to allocate \$3,000,000 of the transient accommodations tax revenues to the special land and development fund for the protection, improvement, and construction of natural resources and facilities associated with the visitor experience.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Tourism Authority, Historic Hawaii Foundation, and one individual. Your Committees received testimony in opposition to this measure from the Tax Foundation of Hawaii.

Your Committees find that the special land and development fund helps to protect, preserve, and enhance the State's natural resources and facilities, which are important to the visitor industry. This measure invests in Hawaii's great legacy and irreplaceable treasures, including natural, historic, and cultural attractions.

Your Committees have amended this measure by:

- (1) Increasing the allocation to \$12,000,000; and
- (2) 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 Tourism and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2430, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2430, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Tourism

Ayes, 3. Noes, none. Excused, 2 (Ige, Ihara).

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Ihara, Shimabukuro, Taniguchi).

**SCRep. 2420 (Joint) Tourism and Water and Land on S.B. No. 3024**

The purpose and intent of this measure is to:

- (1) Increase the amount of excess transient accommodations tax revenues allocated for certain purposes subject to the mutual agreement of the Board of Land and Natural Resources and the Board of Directors of the Hawaii Tourism Authority in accordance with the Hawaii Tourism Authority strategic plan to \$10,000,000; and
- (2) Allocate \$5,000,000 of the \$10,000,000 to the Division of Conservation and Resource Enforcement.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Division of Conservation and Resource Enforcement, West Hawaii; Nature Conservancy; Maui Tomorrow; Native Hawaiian Leadership Program; Puako Community Association; Big Island Bird Hunters; Malama Maunaloa; Kauai Planning and Action Alliance; Humane Society of the United States – Hawaii Office; Hawaii State Bodysurfing Association; and several individuals. Your Committees received testimony in opposition to this measure from the Hawaii Tourism Authority. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that Hawaii's globally unique environment is among the top reasons that visitors from all over the world come to the State. This measure supports the protection, preservation, and enhancement of natural and cultural resources important to the tourism industry.

Your Committees have amended this measure by:

- (1) Amending sections 171-19(a), 184-3.4(a), and 198D-2(b) and (d), Hawaii Revised Statutes, to enable the Department of Land and Natural Resources to more quickly and efficiently use the transient accommodations tax revenues allocated, subject to the mutual agreement of the Board of Land and Natural Resources and the Board of Directors of the Hawaii Tourism Authority in accordance with the Hawaii Tourism Authority Strategic Plan, through the special land and development fund for purposes such as management of public lands, state parks, and trails and trail accesses;
- (2) Inserting language to additionally authorize the allocation of those transient accommodations tax revenues through the special land and development fund to the beach restoration special fund and the conservation and resources enforcement special fund;
- (3) Making the measure effective upon approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that if your Committee on Ways and Means considers this measure for passage it may want to consider raising the budget ceiling on the special land and development fund so that the Division of Conservation and Resource Enforcement may access the appropriated funds.

As affirmed by the records of votes of the members of your Committees on Tourism and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3024, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3024, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Tourism

Ayes, 3. Noes, none. Excused, 2 (Ige, Ihara).

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Ihara, Ruderman, Taniguchi).

**SCRep. 2421 (Joint) Tourism and Economic Development, Government Operations and Housing on S.B. No. 3081**

The purpose and intent of this measure is to:

- (1) Establish an innovative business interaction program under the Hawaii Tourism Authority;
- (2) Increase the amount of transient accommodation tax revenues to be deposited into the tourism special fund, with the increase to be used for the innovative business interaction program; and
- (3) Increase the amount of transient accommodation tax revenues to be deposited into a subaccount of the tourism special fund for a safety and security budget in accordance with the Hawaii Tourism Strategic Plan 2005-2015.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawai'i Tourism Authority; Hawaii Strategic Development Corporation; Hawaii Open Data; Oceanit; and three individuals. Your Committees received comments on this measure from the Tax Foundation of Hawaii.



Your Committees find that innovative business growth in Hawaii requires that relationships be established between investors and innovative talent. To accomplish this, opportunities for capital and talent to interact must be provided. This measure promotes economic growth by establishing an innovative business interaction program to increase the opportunity for interaction between business investors and innovative talent.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3081 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.

Tourism

Ayes, 3. Noes, none. Excused, 2 (Ige, Ihara).

Economic Development, Government Operations and Housing

Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Thielen).

**SCRep. 2422 (Majority) Transportation and International Affairs on S.B. No. 2742**

The purpose and intent of this measure is to initiate a revolutionary and innovative public and private partnership to be known as the Pacific-Asia Institute for Resilience and Sustainability.

Your Committee received testimony in support of this measure from the Department of Defense; Global Partnerships Forum of the United Nations; Solutions Engineering Hawaii; Robertson Foundation for Government; and nine individuals. Your Committee received comments on this measure from the State Office of Planning.

Your Committee finds that the Pacific-Asia Institute for Resilience and Sustainability provides an opportunity for a new generation of leaders to emerge who have the ability to learn from emerging trends and meet global challenges. The Institute's multi-disciplinary and multi-sector approach to community resilience addresses a blind spot in the global discourse of how nations and peoples respond to a wave of disruptive change that permeates the world.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2742 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, 1 (Slom). Excused, 2 (Gabbard, Kouchi).

**SCRep. 2423 (Joint) Transportation and International Affairs and Technology and the Arts on S.B. No. 2042**

The purpose and intent of this measure is to establish a Puerto Rican Exchange Commission to coordinate a cultural exchange program between Hawaii and Puerto Rico to honor and recognize the contributions of the Puerto Rican people and commemorate the arrival of the Puerto Ricans to Hawaii.

Your Committees received testimony in support of this measure from the Iolani Palace Executive Director. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from one individual.

Your Committees find that since the arrival of the first Puerto Ricans in Hawaii on December 23, 1900, the Puerto Rican people have contributed significantly to all phases of Hawaii's development. The rich culture and proud heritage of the Puerto Rican people have been and continue to be positive influences upon life in Hawaii. Recognition of the contributions of the Puerto Rican people and their culture is important to promotion and awareness of Hawaii's diverse and multicultural society.

Your Committees note that there is a considerable amount of cultural similarities between Hawaii and Puerto Rico and that there are activities that have already been established and are ongoing to celebrate and encourage cultural exchanges between Hawaii and Puerto Rico. For example, the Puerto Rican nationalist art movement shares common themes with Hawaiian sovereignty art. The Puerto Rican Heritage Society of Hawaii is dedicated to the preservation and perpetuation of knowledge of the history, culture, and arts of the Puerto Ricans in Hawaii. Hawaii's Plantation Village hosted a "Puerto Rican Day on the Plantation" on April 10, 2010, as part of its ongoing "Relive the Plantation Days" cultural program.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2042 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.

Transportation and International Affairs

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Keith-Agaran, Solomon, Slom).

Technology and the Arts

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

**SCRep. 2424 (Joint) Technology and the Arts and Higher Education on S.B. No. 2624**

The purpose and intent of this measure is to improve the State's science and technology industries by establishing the Hawaii High Impact Center for Commercialization in the University of Hawaii's Office of the Vice President for Research and Innovation.

Your Committees received testimony in support of this measure from the University of Hawaii and Oceanit. Your Committees received comments on this measure from the Hawaii Strategic Development Corporation.

Your Committees find that to be successful in the twenty-first century global economy, the State must be a leader in science, technology development, technology transfer, and commercialization. In recent years, the State has made significant progress, but more growth is necessary to further the State's science and technology industries. This measure advances the State's successful science and technology industries through the establishment of the Hawaii High Impact Center for Commercialization.

Your Committees have amended this measure by:

- (1) Establishing the provisions of this measure as a new section in chapter 304A, Hawaii Revised Statutes; and
- (2) 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 Technology and the Arts and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2624, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2624, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

**SCRep. 2425 (Joint) Technology and the Arts and Commerce and Consumer Protection on S.B. No. 3126**

The purpose and intent of this measure is to encourage the development of technology businesses in Hawaii by prohibiting businesses from using noncompete agreements and restrictive covenants that forbid post-employment competition of their employees, except in certain situations.

Your Committees received testimony in support of this measure from twelve individuals. Your Committees received comments on this measure from the High Technology Development Corporation.

Your Committees find that post-employment restrictive covenants impede the development of businesses in Hawaii by driving skilled workers, including technology employees and licensed physicians, to other jurisdictions and by requiring local businesses to solicit from out of the State. Hawaii's regional success depends upon a mobile workforce that remains committed to our community, and this measure will encourage the formation of new businesses and competition.

Your Committees have amended this measure by:

- (1) Adding language to apply the prohibition on noncompete agreements and restrictive covenants that forbid post-employment competition to licensed physicians;
- (2) Inserting a definition for "licensed physician"; and
- (3) 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 Technology and the Arts 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. 3126, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3126, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

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

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2426 Technology and the Arts on S.B. No. 2620**

The purpose and intent of this measure is to:

- (1) Authorize additional purposes for the expenditure of funds from the works of art special fund; and
- (2) Provide that no new works of art may be acquired at any time when less than eighty percent of the State's inventory of works of art is on display.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from the Department of Transportation; Department of Accounting and General Services; Department of Budget and Finance; Hawaii Government Employees Association; AFSCME Local 152, AFL-CIO; American Institute of Architects; Na Mea Hawaii/Puuhonua Society/ii gallery; and thirty-seven individuals. Your Committee received comments on this measure from two individuals.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting language to establish a new section in chapter 9, Hawaii Revised Statutes, to allow works of art that are acquired using monies from the works of art special fund to be displayed and maintained in public buildings, including federal and county buildings; and

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

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2620, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 2427 Economic Development, Government Operations and Housing on S.B. No. 2698**

The purpose and intent of this measure is to:

- (1) Establish an appeal process for persons adversely affected by an action or decision of the Hawaii Community Development Authority; and
- (2) Require additional public notice, public input, and studies prior to the Authority's approval of development projects.

Your Committee received testimony in support of this measure from UNITE HERE, Local 5; Malama Makaha; and 44 individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Construction Alliance, Plumbers and Fitters UA Local 675, and Hawaii Laborers' Union. Your Committee received comments on this measure from the Department of the Attorney General; The Chamber of Commerce of Hawaii; Kamehameha Schools; The Pacific Resource Partnership; Alexander & Baldwin, Inc.; Hawaii Regional Council of Carpenters; and three individuals.

Your Committee finds that the Legislature established the Hawaii Community Development Authority in 1976 as a public entity to plan new and innovative forms of urban redevelopment and renewal to meet certain community needs, especially the provision of low- and moderate-income housing located in residential and mixed-use areas with sufficient public facilities and services. To ensure that comprehensive and coordinated development plans were executed by and for the community, the Authority was explicitly required to engage affected communities in area development plans and projects.

Your Committee further finds that development projects that do not comply either with legislative goals or the applicable development plans established for community development districts have been permitted, sometimes on an accelerated basis. The approval processes for proposed projects also lack accountability and transparency which are to the detriment of the communities affected.

Your Committee has amended this measure by:

- (1) Amending language to allow a person adversely affected by an action or decision of the Hawaii Community Development Authority to file a petition for reconsideration, instead of a contested case proceeding, within thirty days of the action or decision and have the option for judicial review; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2698, 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 (Baker).

**SCRep. 2428 Economic Development, Government Operations and Housing on S.B. No. 2696**

The purpose and intent of this measure is to:

- (1) Establish development restrictions for the Kakaako Community Development District; and
- (2) Prohibit the Hawaii Community Development Authority from approving a development permit without first conducting a project eligibility review for adequacy of infrastructure facilities and from granting any variance, exemption, or modification with respect to maximum floor area ratio.

Your Committee received testimony in support of this measure from Malu Aina, Malama Makaha, and forty-nine individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Construction Alliance, Plumbers and Fitters UA Local 675, The Howard Hughes Corporation, Laborers' International Union of North American Local 368, and one individual. Your Committee received comments on this measure from the Department of the Attorney General; Kamehameha Schools; The Pacific Resource Partnership; Hawaii's Thousand Friends; Alexander & Baldwin, Inc.; Hawaii Regional Council of Carpenters; and three individuals.

Your Committee finds that the Legislature established the Hawaii Community Development Authority in 1976 as a public entity to plan new and innovative forms of urban redevelopment and renewal to meet certain community needs, especially the provision of low- and moderate-income housing located in residential and mixed-use areas with sufficient public facilities and services. To ensure that comprehensive and coordinated development plans were executed by and for the community, the Authority was explicitly required to engage affected communities in area development plans and projects.

Your Committee further finds that community development plans should be implemented in recognition of existing uses and according to minimum requirements for good planning and design to preserve public health and safety, ensure access to sufficient public services, and avoid unintended effects on public resources and the human environment. Community development plans are

intended to be adopted in consideration of community engagement and, once adopted, are intended to be strictly followed, particularly in regard to density, infrastructure, and affordable housing requirements.

Your Committee has amended this measure by:

- (1) Inserting language to require an applicant seeking a development permit to contact any relevant county and state agencies to determine infrastructure needs and solicit the agencies' findings and recommendations;
- (2) Inserting language to allow machine rooms, rooftop utilities, and architectural features of a building or structure to exceed the 400-foot height restriction;
- (3) Inserting a savings clause;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) 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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2696, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Baker).

**SCRep. 2429 (Joint) Health and Energy and Environment on S.B. No. 3049**

The purpose and intent of this measure is to:

- (1) Require the Department of Health to implement a pilot program to monitor radiation levels in certain items over the next five years and post periodic reports on its website;
- (2) Appropriate funds for equipment acquisition, staff training, and website development relating to the radiation monitoring pilot project; and
- (3) Require the Department of Health to submit a report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2019.

Your Committees received testimony in support of this measure from the Kohala Center of the Hawaii Island School Garden Network, Puna Pono Alliance, Malu 'Aina, Witt Counseling Service, and several individuals.

Your Committees find that the nuclear event in Fukushima, Japan, on March 11, 2011, continues to be an ongoing event that causes concern about levels of radiation in the Pacific. Your Committees further find that monitoring radiation levels in the Hawaiian islands is necessary to measure the levels of impact that the Fukushima nuclear disaster may have had on the environment, public health, and food supply.

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 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. 3049, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3049, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

Energy and Environment

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

**SCRep. 2430 (Joint/Majority) Health and Judiciary and Labor on S.B. No. 2521**

The purpose and intent of this measure is to:

- (1) Deem foods, including raw agricultural commodities, processed food, and seed or seed stock, as misbranded if they have been genetically engineered and that fact is not disclosed through labeling;
- (2) Require the Department of Health to adopt rules to carry out the labeling;
- (3) Provide a penalty for violations; and
- (4) Authorize private civil enforcement.

Your Committees received testimony in support of this measure from IMUAlliance, Hawaii Farmers Union, Olinda Organic Farm, PASS - Pacific Alliance to Stop Slavery, Babes Against Biotech, Moms on a Mission Hui, Seeds of Truth, and several individuals. Your Committees received testimony in opposition to this measure from the Department of Health; The Chamber of Commerce Hawaii; Monsanto Hawaii; Hawaii Food Industry Association; Hawaii Crop Improvement Association; Hawaii Farm Bureau; Hawaii Cattlemen's Council, Inc.; PonoHolo Ranch, Ltd.; 4Ag Hawaii; and two individuals. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that there are growing concerns about foods that have been genetically engineered, which may pose hazards to environmental and public health. Your Committees further find that consumers have a right to know if the products they purchase include genetically engineered ingredients. This measure allows consumers to make informed choices about the products and food they buy in Hawaii.

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 Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2521, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2521, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Baker, Nishihara).

Judiciary and Labor

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Shimabukuro, Solomon).

**SCRep. 2431 Health on S.B. No. 2058**

The purpose and intent of this measure is to make an appropriation for the implementation and administration of the Hawaii Health Corps loan repayment program.

Your Committee received testimony in support of this measure from the Department of Health, University of Hawaii System, Hawaii Medical Association, Hawaii Primary Care Association, and several individuals.

Your Committee finds that the Hawaii Health Corps loan repayment program will assist health care providers to pay back their student loans in exchange for their commitment to work in a health profession shortage area in Hawaii for two years. Your Committee further finds that by working in underserved areas, these health care providers make a difference in communities where they are needed the most. By supporting the loan repayment program, this measure improves the chance that new health care providers will practice, and continue to practice, in Hawaii.

Your Committee has amended this measure by:

- (1) Inserting a blank appropriation amount; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the initial appropriation amount was \$1,000,000. Your Committee further notes that any appropriated monies will receive matching funds from the federal government.

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. 2058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2058, 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 (Nishihara, Slom). Noes, none. Excused, 2 (Baker, Chun Oakland).

**SCRep. 2432 (Joint) Health and Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 2569**

The purpose and intent of this measure is to:

- (1) Establish a Home Birth Safety Board to adopt rules and protocols for home birth providers;
- (2) Require home birth providers to be licensed beginning on July 1, 2015;
- (3) Require home birth providers to meet minimum educational and training requirements;
- (4) Require the Home Birth Safety Board to investigate complaints concerning violations of its rules and to take disciplinary action when necessary;
- (5) Limit home births to clients with normal, low-risk pregnancies;
- (6) Require licensed home birth providers to use informed consent agreements with their clients; and
- (7) Require licensed home birth providers to follow record keeping and reporting requirements.

Your Committees received testimony in support of this measure from the Hawaii Medical Association, American Congress of Obstetricians and Gynecologists, Hawaii State Center for Nursing, and six individuals. Your Committees received testimony in opposition to this measure from the American College of Nurse-Midwives, Hawaii Association for Justice, Hawaii Association of Professional Nurses, Healthy Mothers Healthy Babies Coalition of Hawaii, and four individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs; Board of Nursing; Home Birth Kauai; Board of Naturopathic Medicine; and two individuals.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which is substantially similar but, among other differences, narrows the scope of providers to whom the measure applies. Specifically, the proposed S.D. 1:

- (1) Establishes a Home Birth Board to adopt rules and protocols for midwives and licensure of midwives;
- (2) Requires midwives to be licensed and meet minimum educational and training requirements;
- (3) Requires the Home Birth Board to investigate complaints concerning violations of its rules and to take disciplinary action when necessary;
- (4) Limits home births to clients with low-risk pregnancies;
- (5) Requires licensed midwives to use informed consent agreements with their clients; and
- (6) Requires licensed midwives to follow record keeping and reporting requirements.

Your Committees received testimony in support of the proposed S.D. 1 from the Hawaii Medical Association, American Congress of Obstetricians and Gynecologists, Kapiolani Medical Center for Women and Children, and several individuals. Your Committees received testimony in opposition to the proposed S.D. 1 from the Office of Hawaiian Affairs, Hawaii State Center for Nursing, Midwives' Alliance of Hawaii, The MOM Hui, Home Birth Kauai, Healthy Mothers Healthy Babies Coalition of Hawaii, and several individuals. Your Committees received comments on the proposed S.D. 1 from the Department of Commerce and Consumer Affairs; Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs; American College of Nurse-Midwives; Midwives Alliance of North America; and three individuals.

Your Committees find that some families choose to birth at home for personal, traditional, cultural, or spiritual reasons. Your Committees further find that families have a right to make personal medical decisions in consultation with a health care provider of their choice. This measure encourages home birth practitioners, the medical community, public officials, and members of the public to come together to share their valuable perspectives and engage in discourse about home birth in Hawaii, with the goal of improving home birth experiences across the State.

Your Committees have amended this measure by deleting its contents and inserting language to;

- (1) Establish the home birth task force;
- (2) Require the task force to convene no less than once a month and include neighbor island representation;
- (3) Suggest issues to be addressed by the task force;
- (4) Require the task force to report its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015;
- (5) Make an appropriation to fund the convening and operations of the home birth task force; and
- (6) Insert an effective date of July 1, 2014.

As affirmed by the records of votes of the members of your Committees on Health, Commerce and Consumer Protection, and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2569, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2569, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

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

Judiciary and Labor

Ayes, 6. Noes, none. Excused, 1 (Solomon).

**SCRep. 2433 (Joint) Hawaiian Affairs and Water and Land on S.B. No. 2661**

The purpose and intent of this measure is to establish a Hawaiian home lands water permit fee, in addition to the water permit fee required under section 174C-61, Hawaii Revised Statutes, for the withdrawal or use of water beneath the surface of Hawaiian home lands and require the Hawaiian home lands water permit fees collected to be deposited into the Hawaiian home operating fund.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands and one individual. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that any additional source of revenue for the Department of Hawaiian Home Lands will assist the department in fulfilling its obligation to its beneficiaries. A water permit is especially appropriate due to the diminishing revenues the department is receiving from its share of state receipts derived from water licenses pursuant to article XII of the state constitution. The increased funds will be used for construction, operation, and maintenance of revenue-producing improvements intended to serve occupants of Hawaiian home lands.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2661, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2661, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs

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

Water and Land

Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, 4 (Dela Cruz, Ruderman, Taniguchi, Slom).

**SCRep. 2434 Judiciary and Labor on S.B. No. 1038**

The purpose and intent of this measure is to amend chapter 88, Hawaii Revised Statutes (chapter 88), to:

- (1) Establish that certain terms referencing a marital relationship under chapter 88, include civil union partners and civil unions unless the recognition of a civil union as a marriage conflicts with the requirements for the Employees' Retirement System to be a tax-qualified plan under the Internal Revenue Code; and
- (2) Make conforming amendments under chapter 88 to repeal specific references to civil unions that are superfluous.

Your Committee did not receive any testimony on this measure.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and inserting language to:

- (1) Require the Employees' Retirement System to forfeit the employer's contribution and interest portion of retirement benefits upon a member's final conviction of or pleading guilty or nolo contendere to a felony;
- (2) Establish that the forfeiture of retirement benefits does not include a member's contributions to the System or vested retirement benefits;
- (3) Apply forfeiture of benefits to members who leave active employment if the conviction or plea is for a felony committed while the member was an employee and the felony committed includes bribery, corruption, forgery, perjury, or any other crime related to the duties of the member's employment; and
- (4) Establish procedures for the forfeiture of retirement benefits.

Your Committee received comments on the proposed S.D. 1 from the Employees' Retirement System.

Your Committee finds that reports of government employees convicted of felony crimes related to the duties of the employees' jobs, such as stealing money from their places of employment, erode the public's confidence in state and county government. The proposed S.D. 1 requires the Employees' Retirement System to forfeit the employer's contribution and interest portion of retirement benefits upon a member's final conviction of or pleading guilty or nolo contendere to a felony.

However, your Committee has concerns whether the forfeiture of retirement benefits is unconstitutional. Specifically, article XVI, section 2, of the Hawaii State Constitution states, "Membership in any employees' retirement system of the State or any political subdivision thereof shall be a contractual relationship, the accrued benefits of which shall not be diminished or impaired." As a result, the Employees' Retirement System testified to your Committee that after its submission of written testimony on the proposed S.D. 1, the Board of Trustees of the Employees' Retirement System convened a meeting and developed language to address the constitutional concerns in the proposed S.D. 1 and other concerns raised in the System's submitted written testimony.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language suggested by the Employees' Retirement System to:

- (1) Allow the court to decree a forfeiture by the member, former member, or retirant of all or a portion of any retirement benefit that the member, former member, or retirant may otherwise be entitled to if a member, former member, or retirant is convicted of a felony and the court finds that the felony is related to the employment of the member, former member, or retirant by the State or any county;
- (2) Specify that the retirement benefits of the member, former member, or retirant subject to forfeiture include interest, hypothetical account balance (in excess of the amount representing any employee contributions made by or on behalf of the member, former member, or retirant), pension, annuity, or retirement allowance; and
- (3) Require the Employees' Retirement System to comply with the court order and suspend or deny payment to the member, former member, or retirant as provided in the order unless a certified order requires the System to resume payments or quash or reverse the decree of forfeiture.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1038, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1038, 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. 2435 Judiciary and Labor on S.B. No. 2081**

The purpose and intent of this measure is to:

- (1) Require the salary of the Administrative Director of the Courts to be equal to the salary of the Administrative Director of the State; and

- (2) Require the salary of the Deputy Administrative Director of the Courts to be equal to ninety-five percent of the salary of the Administrative Director of the Courts.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that when the voters ratified the constitutional amendment and the Legislature passed the implementing legislation that created the Commission on Salaries, the positions of Administrative Director of the Courts and Deputy Administrative Director of the Courts were inadvertently left out. As a result, the Judiciary testified that these two positions were left without a mechanism to review and determine their salaries. This measure corrects this inadvertent omission by setting the salaries of the Administrative Director of the Courts and Deputy Administrative Director of the Courts at the Executive Branch's tier 1 salary level, which is most similar in scope and function to the Judiciary's administrative officers.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2081 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; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 2436 (Majority) Judiciary and Labor on S.B. No. 2127**

The purpose and intent of this measure is to provide an incentive for injured workers to return to part-time work by requiring employers to make timely payment of temporary partial disability benefits to their injured workers. Specifically, this measure:

- (1) Imposes a penalty on an employer or insurance carrier who does not pay an employee temporary partial disability benefits within fourteen calendar days after the end of the employee's customary workweek;
- (2) Requires that such penalty is due and payable to the employee without the necessity of an order or decision from the Director of Labor and Industrial Relations; and
- (3) Clarifies that an eligibility determination for disability benefits shall be based on the employee's entire record and that failure of the attending physician to certify the dates of disability in a specialized form shall not disqualify the employee from disability benefits.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii Injured Worker Association; International Longshore and Warehouse Union, Local 142; and three individuals. Testimony in opposition to this measure was submitted by the Department of Human Resources Development; Department of Accounting and General Services; Hawaiian Electric Co., Inc.; The Chamber of Commerce of Hawaii; National Association of Mutual Insurance Companies; Hawaii Insurers Council; Building Industry Association – Hawaii; and Property Casualty Insurers Association of America.

Your Committee finds that existing law imposes a penalty on an employer or insurance carrier for nonpayment of temporary total disability benefits but does not impose penalties for nonpayment of temporary partial disability benefits. The Department of Labor and Industrial Relations testified that one of the underlying policies in workers' compensation is to encourage an injured employee to promptly return to work. However, existing law discourages an injured worker to return because it is uncertain whether temporary partial disability benefits will be paid in a timely manner. This measure provides an incentive for injured workers to return to part-time work by requiring employers to make timely payment of temporary partial disability benefits to their injured workers.

Your Committee recognizes the testimony received in opposition to this measure that requiring temporary partial disability benefits to be paid within fourteen days imposes a hardship for the employer. The Department of Human Resources Development testified that determining temporary partial disability benefits requires a complicated calculation that takes into account the employee's earnings in a given partial duty week, the employee's weekly earnings before the work injury, and a percentage of the difference between the two. Furthermore, the Department of Accounting and General Services testified that its current payroll system is limited to processing payroll on two scheduled pay days. As a result, processing of payment takes longer than the required fourteen-day period. While your Committee strongly believes that timely payment of temporary partial disability benefits should be encouraged to allow employees to return to work, your Committee recognizes that the criteria to determine a workweek should be clarified. Furthermore, your Committee also recognizes the concerns regarding eligibility determination for disability benefits and availability of a treating physician for certification. As a result, your Committee requested the Department of Labor and Industrial Relations, Department of Human Resources Development, and other stakeholders to develop language that would address the concerns raised in testimony on this measure.

Accordingly, your Committee has amended this measure by adopting the language developed by the Department of Labor and Industrial Relations, Department of Human Resources Development, and other stakeholders to:

- (1) Clarify that an employer is imposed a penalty if the employer fails to pay an employee temporary partial disability benefits within fourteen calendar after the end of the employee's workweek as defined under section 387-1, Hawaii Revised Statutes;
- (2) Add that a nonpayment of disability benefits is excused if the employer or insurance carrier was unable to make payment due to conditions over which the employer or insurance carrier had no control, including compliance with public employment pay periods;
- (3) Clarify that an eligibility determination for temporary total or partial disability benefits depends on a determination by the employee's primary care physician's certification of the employee's dates of disability or by an examination of the employee's entire available medical records by another physician in the event the employee's primary care physician is not available;
- (4) Establish that failure of the employee's primary care physician to certify the dates of disability in an interim report does not automatically disqualify the employee from disability benefits;



- (5) Allow contemporaneous certification to be waived and retroactive certification of disability to be allowed under certain conditions;
- (6) Insert an effective date of July 1, 2050, to encourage further discussion; and
- (7) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2127, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, 1 (Slom). Excused, none.

**SCRep. 2437 (Joint) Judiciary and Labor and Higher Education on S.B. No. 2255**

The purpose and intent of this measure is to increase low- and moderate-income individuals' access to justice and encourage and provide incentives for law school graduates to pursue public interest work in Hawaii by:

- (1) Establishing the Hawaii justice league program to be administered by the University of Hawaii William S. Richardson School of Law (UH School of Law) and specifying duties and responsibilities of the UH School of Law to administer the Hawaii justice league program;
- (2) Establishing the Hawaii justice league loan repayment assistance program within the Hawaii justice league program to be administered by the UH School of Law to provide loan repayments to lawyers who agree to serve for at least five consecutive years as a lawyer pursuing public interest work in Hawaii;
- (3) Establishing criteria for the Hawaii justice league loan repayment assistance program for participation, eligibility, selection, and obligation;
- (4) Authorizing the UH School of Law to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, but exempt such rulemaking from public notice and public hearing requirements;
- (5) Establishing the Hawaii justice league revolving fund to be administered by the UH School of Law for the purposes of implementing the Hawaii justice league program and Hawaii justice league loan repayment assistance program and specifying the sources of funding required to be deposited into the fund;
- (6) Requiring the UH School of Law to implement the Hawaii justice league program no later than June 30, 2015, and requiring the Dean of the UH School of Law to report to the Legislature regarding the status of the Hawaii justice league program prior to each regular session beginning with the Regular Session of 2016;
- (7) Appropriating an unspecified amount from the general fund for fiscal year 2014-2015 for deposit into the Hawaii justice league revolving fund; and
- (8) Appropriating an unspecified amount from the Hawaii justice league revolving fund for fiscal year 2014-2015 for the purposes of establishing and administering the Hawaii justice league program.

Your Committees received testimony in support of this measure from the Hawaii Access to Justice Commission, Hawaii Appleseed Center for Law and Economic Justice, Community Alliance on Prisons, Student Bar Association of the University of Hawaii William S. Richardson School of Law, Students for Public Outreach and Civic Education, and thirty-five individuals. Your Committees received comments on this measure from the Department of Budget and Finance and University of Hawaii William S. Richardson School of Law.

Your Committees find that according to a study conducted in 2007, four out of five low-income Hawaii residents do not have their legal needs met and that legal service providers are only able to assist one in three individuals who contact them for assistance. The Hawaii Access to Justice Commission testified that to increase the delivery of legal services to low-income Hawaii residents, more resources, including attorneys who practice public interest law, are needed.

Your Committees further find that many law students enter law school with the desire and passion to assist the public through public interest work. However, the chief barrier that deters these individuals from pursuing public interest work is the financial reality of paying off their student loan obligations. As a result, many law school graduates forego a career in public interest work for legal opportunities that offer higher financial incentives in the private sector. This measure increases the number of public interest attorneys in Hawaii by lessening a portion of law students' financial burdens through a loan repayment program.

However, your Committees recognize that for a loan repayment program to have a long-term impact on public interest work and thereby increase low- and moderate-income individuals' access to justice, the sources of funding for the Hawaii justice league revolving fund should be sustainable to avoid continual requests to the Legislature for funding. Your Committees find that a possible sustainable source of funding includes the interest earned or accrued on seed monies deposited into the fund. Preliminary projections indicate that the interest earned from a deposit of \$10,000,000 in seed money at approximately four percent interest could provide loan repayments to approximately forty eligible loan repayment program participants per year. Furthermore, your Committees recognize that the Student Bar Association of the University of Hawaii William S. Richardson School of Law are in ongoing discussions with the University of Hawaii Board of Regents to authorize the use of a portion of tuition monies for purposes of maintaining a loan repayment program and believes that this sustainable source of funding should be further explored. Lastly, your Committees believe that other alternative sustainable sources of funding for the loan repayment program merit further consideration by your Committee on Ways and Means.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that loan repayments will be provided to lawyers who agree to serve for a maximum of five years as a lawyer pursuing public interest work in Hawaii to conform with the definition of "loan repayment";
- (2) Changing the Hawaii justice league revolving fund to the Hawaii justice league special fund to appropriately reflect the specific purpose of this fund, which is to provide loan repayments;
- (3) Adding that monies in the Hawaii justice league special fund may include deposits from the University of Hawaii tuition and fees special fund;
- (4) Specifying the amount of \$10,000,000 to be appropriated out of the general fund for fiscal year 2014-2015 for deposit into the Hawaii justice league special fund to serve as seed money for the Hawaii justice league program to use the interest earned from this amount for the loan repayment program;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) 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 Judiciary and Labor and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2255, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2255, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 5. Noes, none. Excused, 2 (Ihara, Shimabukuro).

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

**SCRep. 2438 (Majority) Judiciary and Labor on S.B. No. 2259**

The purpose and intent of this measure is to amend the collective bargaining laws to:

- (1) Prohibit parties in arbitration from including in their final positions any proposals that were not previously submitted in writing before impasse and about which an impasse in collective bargaining has not been reached; and
- (2) Authorize the arbitration panel to decide whether final positions comply with all requirements and which proposals may be considered for inclusion in the final agreement.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and United Public Workers, AFSCME Local 646, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of the Attorney General, Department of Budget and Finance, Department of Education, University of Hawaii, Office of Collective Bargaining, Hawaii Health Systems Corporation, and Department of Human Resources of the City and County of Honolulu.

Your Committee finds that this measure clarifies the procedures for final positions in arbitration proceedings by prohibiting parties in arbitration from including in their final positions any proposals that were not previously submitted in writing before impasse and about which an impasse in collective bargaining has not been reached. Furthermore, the Hawaii Government Employees Association testified that this measure creates a cost-effective dispute resolution mechanism to determine whether final positions can be included in the final agreement by authorizing the arbitration panel, rather than the Hawaii Labor Relations Board, to make such a determination. However, your Committee notes the concerns raised by a number of state and county entities who serve as public employers and believes that this measure merits further discussion as it moves through the legislative process.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2259, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Solomon). Noes, 1 (Slom). Excused, none.

**SCRep. 2439 Judiciary and Labor on S.B. No. 2365**

The purpose and intent of this measure is to amend the law relating to the furnishing of medical care, services, and supplies under workers' compensation claims by:

- (1) Specifying requirements for the furnishing of drugs in addition to medical care, services, and supplies to an employee who sustains a work injury;
- (2) Establishing a reimbursement ceiling that does not exceed one hundred forty percent of the average wholesale price set by the original manufacturer of the prescription drug as identified by its National Drug Code and published in the Red Book: Pharmacy's Fundamental Reference as of the date of dispensing for all prescription drugs, including repackaged and relabeled drugs;
- (3) Requiring that any prescription drug not available at a major retail pharmacy is not reimbursable unless specifically approved by the Director of Labor and Industrial Relations through administrative rules;

- (4) Adding the definition of “major retail pharmacy”;
- (5) Establishing a reimbursement ceiling that does not exceed one hundred forty percent of the average wholesale price by gram weight set by the original manufacturer of the prescription drug as identified by its National Drug Code and published in the Red Book: Pharmacy’s Fundamental Reference as of the date of compounding for each underlying prescription drug contained in compounded medications;
- (6) Requiring that all pharmaceutical claims submitted for repacked or relabeled prescription medications include the National Drug Code of the original manufacturer; and
- (7) Establishing a reimbursement ceiling that does not exceed one hundred forty percent of the average wholesale price set by the original manufacturer of the prescription drug as identified by its National Drug Code and published in the Red Book: Pharmacy’s Fundamental Reference that is most closely related to the underlying prescription drug if the original manufacturer of an underlying prescription drug used in the repackaged or relabeled prescription drugs or compounded medications is unknown.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Department of Human Resources Development; Department of Human Resources, City and County of Honolulu; Hawaii Insurers Council; Property Casualty Insurers Association of America; The Chamber of Commerce of Hawaii; Government Employees Insurance Company; Automated HealthCare Solutions; and Work Injury Medical Association of Hawaii.

Your Committee finds that Hawaii’s existing reimbursement rates for pharmaceuticals in workers’ compensation claims are among the highest in the nation for brand and generic products. Existing administrative rules allow pharmaceuticals to be charged to insurance carriers at up to one hundred forty percent of the average wholesale price listed in the Red Book: Pharmacy’s Fundamental Reference. However, existing law and administrative rules do not address the reimbursement of repackaged, relabeled, or compounded medications. As a result, third-party companies are able to buy prescription drugs in bulk; repackage, relabel, or compound the medications; and attach their own National Drug Code to the repackaged, relabeled, or compounded medications with average wholesale prices that are higher than the average wholesale prices of the original manufacturers. Insurance carriers are then billed at one hundred forty percent of the higher average wholesale price, which results in higher charges.

Establishing a reimbursement ceiling for repackaged, relabeled, or compound medications at one hundred forty percent of the average wholesale price set by the original manufacturer will assist in reducing the State’s costs for workers’ compensation claims related to medical care, services, drugs, and supplies. The Department of Labor and Industrial Relations testified that it is currently handling over two thousand workers’ compensation disputes related to repackaged medications. This measure will assist the Department in reducing the number of these disputes.

Your Committee has amended this measure by adopting the language suggested by the Department of Labor and Industrial Relations and Automated Health Care Solutions to:

- (1) Set the reimbursement price for repackaged, relabeled, and compound prescription drugs at exactly, rather than up to, one hundred forty percent of the average wholesale price set by the original manufacturer of the prescription drug;
- (2) Adopt the Medi-Span Master Drug Database as the official prescription medication pricing source book rather than the Red Book: Pharmacy’s Fundamental Reference because Medi-Span is a more widely used and comprehensive source;
- (3) Clarify that the reimbursement price for repackaged or relabeled prescription drugs is set at the date of purchase rather than date of dispensing;
- (4) Allow the reimbursement price for repackaged, relabeled, and compound prescription drugs to be a lower amount if the employer or carrier, or any entity acting on behalf of the employer or carrier, directly contracts with the provider or the provider’s assignee;
- (5) Delete the language that would have prohibited reimbursement for any prescription drug not available at a major retail pharmacy unless specifically approved by the Director of Labor and Industrial Relations through administrative rules and replace it with language that allows the Director to limit the reimbursement of a specific prescription drug that is not available at a major retail pharmacy;
- (6) Insert language to set the reimbursement price for over the counter medications dispensed by a licensed practitioner at one hundred twenty percent of the average wholesale price set by the original manufacturer of the dispensed prescription drug as identified by its National Drug Code and published in the Medi-Span Master Drug Database as of the date of purchase by the provider of service;
- (7) Allow the reimbursement price for over the counter medications dispensed by a licensed practitioner to be a lower amount if the employer or carrier, or any entity acting on behalf of the employer or carrier, directly contracts with the provider or the provider’s assignee; and
- (8) Require generic pharmaceuticals to be substituted for brand name pharmaceuticals unless the prescribing physician certifies that a brand name pharmaceutical is necessary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2365, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2365, 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, 1 (Shimabukuro).

**SCRep. 2440 (Joint) Judiciary and Labor and Commerce and Consumer Protection on S.B. No. 2477**

The purpose and intent of this measure is to authorize the use of a master certificate of title for common interest communities to simplify and streamline the operation of the Land Court. Specifically, this measure:

- (1) Establishes procedures for a master certificate of title for the Assistant Registrar of the Land Court to carry out upon the recording of a declaration creating a common interest community;
- (2) Establishes procedures for a master certificate of title for the Assistant Registrar to carry out upon the recording of an amendment or supplement to the governing documents of an existing common interest community;
- (3) Establishes the effect of a master certificate of title of a common interest community;
- (4) Sets the requirements for the contents of a master certificate of title of a common interest community; and
- (5) Adds definitions of "association", "common interest community", "governing documents", "master certificate of title", and "unit".

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Community Association Institute, and five individuals. The Judiciary submitted comments.

Your Committees find that existing law requires that any amendment to the documents governing a condominium or planned community shall be noted on the certificate of title for each unit. This is a costly and time-consuming process for the Land Court. This measure authorizes the use of a master certificate of title for common interest communities to list encumbrances of general application and eliminates the need to change the certificate of title for each unit to reflect any changes in the encumbrances of general application. As a result, the certificates of title for each unit will cross reference the master certificate of title.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor 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. 2477 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.

Judiciary and Labor

Ayes, 4. Noes, none. Excused, 3 (Gabbard, Ihara, Solomon).

Commerce and Consumer Protection

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

**SCRep. 2441 Judiciary and Labor on S.B. No. 2916**

The purpose and intent of this measure is to require, rather than allow, the Employees' Retirement System to require any department or agency of the State or counties to furnish to the System certain payroll and personnel transaction information, including any changes or errors in payments that require correcting or updating.

Your Committee received testimony in support of this measure from the Employees' Retirement System.

Your Committee finds that this measure specifies that, in addition to allocating payments to the periods in which payments are earned and specifying the purpose or nature of the payments, public employers are required to indicate any changes or errors in payments that require correcting or updating. The Employees' Retirement System testified that its personnel and payroll file formats are configured to accept corrections, adjustments, and updated information, but a number of public employers do not use this capability, which results in delays in the processing of retirement benefits.

Your Committee notes the suggested language submitted by the Employees' Retirement System that imposes penalties on public employers who fail to submit the required information.

Accordingly, your Committee has amended this measure, as suggested by the Employees' Retirement System, by:

- (1) Clarifying that the furnishing of certain payroll and personnel transaction information is required of all departments and agencies of the State or counties;
- (2) Providing that if a department or agency fails to provide the information, the State or county is required to pay to the System, on the first day of the following fiscal year in which the failure occurred, in an amount equal to the employer contributions payable by the State pursuant to section 88-124, Hawaii Revised Statutes, or by the county pursuant to section 88-126, Hawaii Revised Statutes;
- (3) Providing that if the required payment is not made on the first day of the fiscal year, any unpaid amounts shall bear interest and any subsequent payments shall be applied first to accrued interest and then to the required payment;
- (4) Inserting an effective date of July 1, 2016; and
- (5) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2916, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2916, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Ihara, Sлом).

**SCRep. 2442 (Joint/Majority) Judiciary and Labor and Transportation and International Affairs on S.B. No. 3039**

The purpose and intent of this measure is to:

- (1) Establish the wage and hour for public works projects special fund to assist the Department of Labor and Industrial Relations in enforcing Hawaii's wage and hour law on public construction projects;
- (2) Require state departments that receive appropriations of capital improvement project funds to transfer a percentage of those appropriations into the wage and hour for public works projects special fund;
- (3) Require the Department of Labor and Industrial Relations to provide an annual status report of the wage and hour for public works projects special fund to the Legislature; and
- (4) Create additional labor enforcement specialist IV positions within the Department of Labor and Industrial Relations to enforce Hawaii's wage and hour law and appropriate a specified amount for these positions.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Department of Accounting and General Services, Hawaii Operating Engineers Industry Stabilization Fund, Hawaii Regional Council of Carpenters, Hawaii Laborers-Employers Cooperation and Education Trust, The Pacific Resource Partnership, and Building Industry Association – Hawaii. The General Contractors Association of Hawaii and Tax Foundation of Hawaii submitted comments.

Your Committees find that public works construction projects face issues involving adherence to wage and hour laws. With the large amount of capital the State spends on various projects annually, your Committees believe that it is imperative for wage and hour laws to be strictly enforced. This measure establishes the wage and hour for public works projects special fund to assist the Department of Labor and Industrial Relations in enforcing Hawaii's wage and hour law on public construction projects.

However, your Committees have concerns regarding the cost and necessity of establishing a special fund and believe that it is more appropriate for the Department of Labor and Industrial Relations to attain additional investigators to enforce wage and hour laws. The Department testified that its Wage Standards Division currently has four investigators who are qualified to conduct public works investigations. Your Committees find that the specified amount appropriated for two additional labor enforcement specialist IV positions appears to be insufficient to cover salary and benefits.

Accordingly, your Committees have amended this measure by:

- (1) Deleting section 2, which would have established the wage and hour for public works projects special fund and making conforming amendments to reflect this deletion;
- (2) Changing the appropriation amount from \$85,241 to \$200,000 to establish two full-time equivalent labor law enforcement specialist IV positions; and
- (3) 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 Judiciary and Labor and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3039, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3039, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Ihara, Shimabukuro).

Transportation and International Affairs

Ayes, 7. Noes, none. Excused, 2 (Espero, Slom).

**SCRep. 2443 Technology and the Arts on S.B. No. 2095**

The purpose and intent of this measure is to increase the privacy rights of individuals and simplify the standards by which law enforcement is able to access certain information by:

- (1) Requiring a search warrant in order to compel disclosure to a government entity of the contents of electronic communications, regardless of whether the communications were held in storage or not, how long the communications have existed, or if the communications are classified as retrieved or unretrieved; and
- (2) Requiring a court order in order to compel disclosure to a government entity of non real-time, or historical, transactional records and requiring the court order to issue only if the governmental entity demonstrates probable cause that the records sought constitute a crime or are relevant to a legitimate law enforcement inquiry.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu and Office of the Prosecuting Attorney of the County of Kauai.

Your Committee finds that users of electronic communication services and remote storage providers have various privacy rights. Existing law requires law enforcement to obtain a court order before having access to retrieved electronic mail and electronic mail that has been held in storage for more than one hundred eighty days. Furthermore, probable cause must be shown for the issuance of a court order to access transactional records. This measure provides even greater privacy protection for individuals by requiring a search warrant for disclosure of electronic communications and streamlines the criteria that law enforcement must satisfy to access certain information, without unduly interfering with law enforcement's need to investigate criminal activity.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2095 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2444 Technology and the Arts on S.B. No. 2097**

The purpose and intent of this measure is to amend the definition of “pen register” to include devices that record or decode impulses that identify the numbers dialed or transmitted through cell phones and other communication devices.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Office of the Prosecuting Attorney of the County of Kauai, and the Honolulu Police Department.

Your Committee finds that the current definition of “pen register”, as defined in section 808-41, Hawaii Revised Statutes, was adopted in the 1980s and still refers to numbers dialed on a landline. This measure makes the definition of “pen register” technology neutral and more applicable to current forms of communication, without changing any standards or burdens of proof that law enforcement must satisfy to obtain an order to use pen registers.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2097 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2445 (Joint/Majority) Human Services and Judiciary and Labor on S.B. No. 3076**

The purpose and intent of this measure is to enable independent direct support providers to engage in limited collective bargaining with the State.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association. Your Committees received testimony in opposition to this measure from the Office of Collective Bargaining and one individual. Your Committees received comments on this measure from the Department of Budget and Finance and Hawaii Labor Relations Board.

Your Committees find that this measure recognizes independent direct support providers’ right to organize and establishes the framework for independent direct support providers to unionize. Your Committees received testimony from the Hawaii Labor Relations Board expressing that the Board would need additional resources to carry out this measure. Specifically, the Board indicated that it would need an additional attorney and paralegal and an appropriation to fund transcripts, witness fees, and mileage fees. Your Committees find that this concern regarding resources merits further consideration as this measure moves through the legislative process.

Accordingly, your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3076, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3076, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Human Services  
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Kidani, Taniguchi).  
Judiciary and Labor  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Galuteria, Ihara).

**SCRep. 2446 Human Services on S.B. No. 2772**

The purpose and intent of this measure is to support foster care providers by increasing the minimum monthly foster care basic board rate and the foster care maximum difficulty of care rate.

Your Committee received testimony in support of this measure from the Department of Human Services; Catholic Charities Hawaii; EPIC Ohana, Inc.; Family Programs Hawaii; Hale Opio Kauai, Inc.; Hawaii Foster Youth Coalition; Hawaii Youth Services Network; National Association of Social Workers, Hawaii Chapter; YMCA of Honolulu; HI H.O.P.E.S.; Hawaii Appleseed Center for Law and Economic Justice; and ten individuals.

Your Committee finds that it is time to increase the rate of monthly board payments and monthly difficulty of care rate payments for foster families. The current rate of \$529 per month has not been changed for over two decades, and is not enough to meet the needs of children in foster care considering the increasing costs of rent and living expenses in Hawaii. Your Committee further finds that the recruitment of foster families has become increasingly challenging for agencies, and it is important to be able to reasonably compensate the families for the living expenses of the children for whom they care.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment 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 S.B. No. 2772, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2772, 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. 2447 Human Services on S.B. No. 651**

The purpose and intent of this measure is to prohibit smoking in and around public housing projects and state low-income housing projects under the jurisdiction of the Hawaii Public Housing Authority.

Your Committee received testimony in support of this measure from the Department of Health, Coalition for a Tobacco-Free Hawaii, and three individuals. Your Committee received testimony in opposition to this measure from three individuals.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by:

- (1) Adding language that prohibits smoking in any elder or elderly household;
- (2) Adding language that prohibits smoking in all common areas, community facilities, and within twenty feet from any entrance, exit, window, and ventilation intake that serves an enclosed or partially enclosed area of public housing projects and state low-income housing projects;
- (3) Removing language requiring the Hawaii Public Housing Authority to designate one or more permissible smoking areas;
- (4) Inserting language requiring the Hawaii Public Housing Authority to place and maintain "No smoking" signage at all entrances and exits of the property;
- (5) Expanding the definition of "common areas"; and
- (6) Expanding the definition of "smoking" to include the use of electronic smoking devices.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Health, Coalition for a Tobacco-Free Hawaii, and four individuals. Your Committee received testimony in opposition to this measure from Volcano Fine Electric Cigarettes, and three individuals. Your Committee received comments on this measure from the Hawaii Public Housing Authority.

Your Committee finds that there are many hazards caused by involuntary exposure to tobacco smoke, including lung cancer, coronary heart disease, and stroke. In addition, secondhand smoke can cause lung problems, ear infections, asthma, and sudden infant death syndrome. The United States Surgeon General has found that there is no safe level or amount of exposure to secondhand smoke. Your Committee received testimony expressing concern about the lack of designated smoking areas in the measure and the fact that electronic smoking devices are included in the measure's definition of smoking. Your Committee finds that the effects of electronic smoking devices are not well established.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Adding language authorizing the Hawaii Public Housing Authority to designate permissible smoking areas;
- (2) Adding language requiring the Authority to place and maintain "No smoking" signage at any appropriate location; and
- (3) Removing the reference to electronic smoking devices.

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. 651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 651, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Green, Taniguchi).

**SCRep. 2448 Energy and Environment on S.B. No. 2933**

The purpose and intent of this measure is to establish an energy storage tax credit for utility scale renewable energy storage property.

Your Committee received testimony in support of this measure from the Renewable Energy Action Coalition of Hawaii, Ulupono Initiative, Blue Planet Foundation, Hawaii Renewable Energy Alliance, Princeton Energy Group, Molokai Ranch, Sempra USGP, Royal Contracting Company, Solar Power Systems International, and fifteen individuals. Your Committee received comments on this measure from the Department of Budget and Finance; Department of the Attorney General; Department of Taxation; Department of Business, Economic Development, and Tourism; Tax Foundation of Hawaii; Hawaiian Electric Company; and one individual.

Your Committee finds that energy storage is a key component of a modern, smart electrical grid and can help to maximize the use of indigenous renewable energy. Hawaii has successfully utilized a renewable energy tax credit to foster a sustainable local renewable energy industry responsible for creating jobs, catalyzing statewide energy savings, improving our environment, and reducing greenhouse gas emissions.

Your Committee expressed concerns about the environmental impacts of this measure, specifically relating to the disposal of energy storage batteries. Your Committee finds that this issue raises concerns that merit further consideration.

Your Committee has amended this measure by:

- (1) Changing references from “utility scale renewable energy storage property” to “utility scale energy storage property”;
- (2) Clarifying that an energy storage tax credit can be claimed for each utility scale energy storage property:
  - (A) That is used primarily to store electricity;
  - (B) For which the taxpayer enters into an agreement with an electric utility after June 30, 2014, and on or before December 31, 2020; and
  - (C) That is installed and first placed in service by a taxpayer during a taxable year after December 31, 2014, and on or before December 31, 2024;
- (3) Deleting language that established limits for megawatt-hour of energy storage capacity;
- (4) Deleting language that would have allowed the tax credit to be claimed as a utilization credit;
- (5) Inserting language to require a taxpayer to obtain certification from the Department of Business, Economic Development, and Tourism that verifies that the taxpayer has control of the site of the proposed project;
- (6) Inserting language to require the Department of Business, Economic Development, and Tourism to cease certifying tax credits for the year when the aggregate tax credit certifications for the year reaches \$20,000,000; provided that the queue of remaining projects awaiting certification shall carry over to the following year;
- (7) Inserting language to require a taxpayer, within twelve months of receiving certification for a project, to provide the Department of Business, Economic Development, and Tourism with evidence that the taxpayer has invested into the project an amount equal to at least five percent of the amount of the taxpayer’s projected cumulative tax credits; provided that the Department shall rescind the certification of a taxpayer for noncompliance;
- (8) Inserting language to require the Department of Business, Economic Development, and Tourism to notify the Department of Taxation of all certifications and rescissions of certifications pursuant to this measure;
- (9) Deleting language relating to eligibility of association owners under chapter 421I, 421J, 514A, or 514B, Hawaii Revised Statutes, to claim the tax credit pursuant to this measure;
- (10) Clarifying that no public sector agency shall qualify for the tax credit pursuant to this measure;
- (11) Clarifying that the joint report by the Department of Taxation, in collaboration with the Department of Business, Economic Development, and Tourism, include only the following estimated economic benefits attributable to the tax credit:
  - (A) Jobs created in the energy storage field;
  - (B) Jobs created in the renewable energy generation field;
  - (C) General excise and income tax revenue generated; and
  - (D) Monetization of the benefits of increased grid stability;
- (12) Amending the definition of “basis” to not exclude costs for energy storage equipment required by an electric utility for interconnection of a renewable energy generation facility;
- (13) Inserting a definition for “certification”;
- (14) Deleting the definition for “electricity generated from renewable sources”;
- (15) Amending the definition of “energy storage capacity” to include the amount of electricity measured in megawatts;
- (16) Inserting language to require that utility scale energy storage property shall have an energy storage capacity of at least one megawatt of power or one megawatt-hour of energy storage;
- (17) Inserting an effective date of July, 1, 2014;
- (18) Clarifying that the tax credits shall apply to taxable years beginning after December 31, 2014; and
- (19) 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2933, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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



**SCRep. 2449 (Joint) Human Services and Health and Economic Development, Government Operations and Housing on S.B. No. 2031**

The purpose and intent of this measure is to require vendors who have been awarded contracts through the Centers for Medicare and Medicaid Services durable medical equipment, prosthetics, orthotics, and supplies bidding program to provide supplies to the residents of the State to have a physical presence in Hawaii.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii, The Queen's Health Systems, and two individuals. Your Committees received testimony in opposition to this measure from the Department of the Attorney General, Department of Human Services, and Hawaii Medical Service Association.

Your Committees find that the Medicare Modernization Act of 2003 established requirements for a new competitive bidding program for certain durable medical equipment, prosthetics, orthotics, and supplies. Under the program, suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The Centers for Medicare and Medicaid Services awards contracts to enough suppliers to meet beneficiary demand for the bid items. Your Committees received testimony on this measure from the Department of the Attorney General expressing concern that this measure may be preempted by federal regulation that allows state regulation of durable medical equipment suppliers only through licensing requirements. The Healthcare Association of Hawaii provided your Committees with suggested language to address the concerns raised by the Department of the Attorney General.

Accordingly, your Committees have amended this measure by adopting the language submitted to your Committees by the Healthcare Association of Hawaii. Specifically, that language amends this measure by:

- (1) Deleting its contents and inserting language that:
  - (A) Requires all suppliers of durable medical equipment in the State to be licensed;
  - (B) Establishes licensing requirements, which include maintaining an appropriate physical location within the State and complying with all federal regulations pertaining to the sale of durable medical equipment and all state legal requirements for a business engaged in the sale of goods in the State;
  - (C) Defines "appropriate physical location", which requires having a physical facility within the State, visible signage, and posted hours of operation; and
  - (D) Establishes a process for reporting violations and complaints against durable medical equipment suppliers; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Human Services, Health, and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2031, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2031, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs and Majority Leader on behalf of the Committees.

Human Services

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

Health

Ayes, 3. Noes, none. Excused, 2 (Baker, Nishihara).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Baker, Chun Oakland).

**SCRep. 2450 Human Services on S.B. No. 2792**

The purpose and intent of this measure is to allow qualified entities to request state and national fingerprint-based criminal history record checks on their applicants, employees, and volunteers who provide care for children, vulnerable adults, or individuals with disabilities, and to receive the results directly.

Your Committee received testimony in support of this measure from the Department of the Attorney General and Department of Human Services.

Your Committee finds that Section 5119a of the National Child Protection Act, Public Law No. 103-209, as amended, authorizes public, private, nonprofit, or for-profit entities to submit requests for fingerprint-based criminal history record checks on their applicants, employees, and volunteers who provide care to children, vulnerable adults, or individuals with disabilities. Generally, an authorized government agency must receive the results and make the suitability determination. However, other jurisdictions have been permitted to provide the information directly to a non-government agency upon receipt of a waiver from the individual on whom the criminal history record check is being run. This measure will bring the State in line with other jurisdictions and make complete and up-to-date criminal history records available to qualifying entities.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2792, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2792, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2451 Human Services on S.B. No. 2160**

The purpose and intent of this measure is to protect children by establishing that it is a class C felony for a caregiver to fail to report the death or disappearance of a child to law enforcement or to provide false information to law enforcement authorities about a missing child.

Your Committee received testimony in support of this measure from the National Association of Social Workers, Hawai'i Chapter; Maui Family Support Services; and Ho'oukaika Partnership.

Your Committee finds that according to the United States Department of Justice, over a period of one year approximately 797,500 children under eighteen were reported missing. Your Committee further finds that because outcomes for missing children are usually negative, there is a need for caregivers to promptly report missing children. Furthermore, contacting authorities after the death of a child can lead to the immediate investigation of the circumstances of the child's death, which may prevent injury to other children associated with the deceased child. This measure therefore protects the rights of children and encourages the immediate response of a caregiver regarding reporting the disappearance or death of a child.

Your Committee has amended this measure by inserting savings and severability clauses and making other technical amendments 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 S.B. No. 2160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2160, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Kidani). Noes, none. Excused, 1 (Taniguchi).

**SCRep. 2452 Technology and the Arts on S.B. No. 2094**

The purpose and intent of this measure is to:

- (1) Redefine the offense of computer damage in the first degree as intentionally causing or attempting to cause damage to a critical infrastructure computer;
- (2) Increase the grade of the offense of computer damage in the first degree to a class A felony;
- (3) Redefine the offense of computer damage in the second degree as knowingly causing the transmission of a program, information, code, or command, and thereby knowingly causing other damage; or intentionally accessing a computer, computer system, or computer network without authorization, and thereby knowingly causing damage;
- (4) Increase the grade of the offense of computer damage in the second degree to a class B felony;
- (5) Create a new offense of computer damage in the third degree as knowingly accessing a computer, computer system, or computer network without authorization and recklessly causing damage;
- (6) Establish the offense of computer damage in the third degree as a class C felony; and
- (7) Define "critical infrastructure computer".

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, and Office of the Prosecuting Attorney of the County of Kauai.

Your Committee finds that existing law only applies when a perpetrator uses one computer to damage another computer, such as by hacking or transmitting a computer virus. However, greater protections are needed for critical infrastructure computers, as damage to these computers jeopardize public health, safety, and security, regardless of how the damage occurs. This measure is necessary to provide further protection by creating a new offense of damage to critical infrastructure computers and redefining the current offenses of computer damage in the first and second degree accordingly.

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 Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2094, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2453 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2215**

The purpose and intent of this measure is to encourage responsible decisions and increase public safety by establishing limited immunity for individuals who seek medical assistance for victims of alcohol or drug-related overdoses or for themselves during an alcohol or drug-related overdose emergency.

Your Committee received testimony in support of this measure from the Department of Health; Community Alliance on Prisons; CHOW Project; Drug Policy Action Group; Medical Amnesty Initiative; and six individuals.

Your Committee finds that overdoses have increased, becoming a leading mechanism of injury-related mortality in Hawaii. The threat of criminal punishment often causes individuals to hesitate from taking necessary action in emergency overdose situations. Medical amnesty policies encourage individuals to make responsible decisions by shielding them from punishment when they seek medical attention during an emergency involving alcohol or controlled substances. Medical amnesty is a life-saving policy and is in

the best interest of the public's health, safety, and welfare. Accordingly, this measure enables individuals to make life-saving decisions by establishing limited immunity for individuals who seek medical assistance for themselves or others during an overdose emergency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2215 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2454 Public Safety, Intergovernmental and Military Affairs on S.B. No. 2358**

The purpose and intent of this measure is to:

- (1) Decriminalize the intentional or knowing possession of one ounce or less of marijuana; and
- (2) Establish a civil violation for possession of one ounce or less of marijuana that is subject to a fine of not more than \$100.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawaii; Community Alliance on Prisons; Religion of Jesus Church; and twenty-nine individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General; Department of the Prosecuting Attorney of the City and County of Honolulu; Honolulu Police Department; Hawaii Police Department; Maui Police Department; Coalition for a Drug-Free Hawaii; and eight individuals. Your Committee received comments on this measure from the Judiciary and three individuals.

Your Committee finds that there is increasing public and federal support for the decriminalization of marijuana. On August 29, 2013, a United States Department of Justice Memorandum for United States Attorneys deemphasized federal enforcement of federal drug laws concerning marijuana as long as marijuana activity does not threaten the federal government's enforcement priorities and stresses that enforcement of state laws by local law enforcement authority should be the "primary means of addressing marijuana-related activity." Your Committee further finds that studies indicate that stricter drug policies might actually lead to an increase in crime. In accordance with the current science and attitude toward marijuana, this measure decriminalizes the intentional or knowing possession of one ounce or less of marijuana.

Your Committee has amended this measure by:

- (1) Amending a first time violation for possession of one ounce or less of marijuana from no more than \$100 to exactly \$100;
- (2) Establishing a fine of \$250 for a second violation for possession of one ounce or less of marijuana;
- (3) Establishing a fine of \$500 for a third or subsequent violation for possession of one ounce or less of marijuana; and
- (4) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2358, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2455 Public Safety, Intergovernmental and Military Affairs on S.B. No. 3094**

The purpose and intent of this measure is to allow each county to impose and enforce liens upon premises served for unpaid water or sewer charges in excess of a certain amount after an opportunity to be heard under chapter 91, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Environmental Management, County of Hawaii; Water Board, County of Hawaii; Department of Water Supply, County of Hawaii; and the Department of Water, County of Kauai. Your Committee received testimony in opposition to this measure from the Department of Environmental Services of the City and County of Honolulu. Your Committee received comments on this measure from the Board of Water Supply.

Your Committee finds that counties must go through a lengthy process to collect unpaid water and sewer bills. The current process requires letters, payment plans, phone calls, and a court action. In many cases, the value of the time and resources required to collect on a past due account exceeds the amount actually owed.

Your Committee further finds that the existing authorization of each county to take over the State existing waterworks system may burden ratepayers and counties with the additional costs to maintain, improve, enlarge, and develop a state water system.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the dollar threshold of unpaid water or sewer charges that had to be exceeded before a county could impose and enforce liens upon premises served for the unpaid water or sewer charges; and
- (2) Repealing the authority of each county to take over from the State existing waterworks systems and sewer systems and to enlarge, develop, and improve the same.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3094, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 2456 (Joint) Hawaiian Affairs and Economic Development, Government Operations and Housing on S.B. No. 3122**

The purpose and intent of this measure is to:

- (1) Require that the Office of Hawaiian Affairs conduct a public hearing regarding any plan or proposal for any residential development in Kakaako prior to submission of the plan or proposal to the Hawaii Community Development Authority (HCDA) and approval of the plan or proposal by HCDA; and
- (2) Exempt the Office of Hawaiian Affairs' Kakaako lands from the requirements of section 206E-12, Hawaii Revised Statutes, regarding the dedication of public facilities by developers as a condition of developing real property pursuant to the community development plan.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Oahu Council of the Association of Hawaiian Civic Club, Association of Hawaiian Civic Clubs, King Kamehameha HCC, Pearl Harbor Hawaiian Civic Club, Ko'olaupoko Hawaiian Civic Club, Kuakini Hawaiian Civic Club of Kona, Ho'okipa Network - Kauai, Hawaiian Affairs Caucus of the Democratic Party of Hawaii, Council for Native Hawaiian Advancement, and forty-one individuals. Your Committees received testimony in opposition to this measure from the Kanehili Cultural Hui, Friends of Kewalos, Hawaii's Thousand Friends, Community Planning Advisory Council, and fifty-five individuals. Your Committees received comments on this measure from the Attorney General and four individuals.

Your Committees find that, in 2012, the Office of Hawaiian Affairs was awarded ten parcels of land in Kakaako to settle certain claims against the State. The ten parcels in Kakaako were appraised at \$200,000,000. In order for the Office of Hawaiian Affairs to realize the full value of these lands, the Office of Hawaiian Affairs must have the ability to construct residential developments. In 2006, however, the Legislature banned residential development in the Kakaako Makai area in response to community concerns regarding preserving open space. Based on these continued community concerns, your Committees believe that six of the ten parcels awarded to the Office of Hawaiian Affairs along the Kewalo Basin waterfront and the site of the Office of Hawaiian Affairs' former homeless shelter on the waterfront should not be authorized for residential development. The remaining lots, however, should be available for residential use. Your Committees conclude that this compromise strikes a balance between the concerns of the community and Native Hawaiian entitlements.

Your Committees note that testimony from the Office of the Attorney General contended that the authorization of residential use on the Office of Hawaiian Affairs' lands in Kakaako may violate the state constitution. However, your Committees are not persuaded by the arguments made by the Office of the Attorney General.

Accordingly, your Committees have amended this measure by:

- (1) Authorizing residential development on only those Kakaako parcels owned by the Office of Hawaiian Affairs, identified as tax map keys 2-1-15-61, 2-1-58-6, 2-1-60-4, 2-1-60-5, and 2-1-60-6;
- (2) Requiring that the applicant for residential development on those parcels, rather than the Office of Hawaiian Affairs, hold a public hearing prior to submitting plans or proposals to HCDA;
- (3) Requiring that the applicant for residential development, rather than the Office of Hawaiian Affairs, consider all written and oral submissions from the public hearing prior to submitting any plan or proposal for residential development to HCDA;
- (4) Inserting language to require HCDA to hold a public hearing prior to approving any plan or proposal for residential development;
- (5) Inserting language to require HCDA to consider all written and oral submissions from the applicant's public hearings, as well as its own public hearings, prior to approving any plan or proposal for residential development in Kakaako;
- (6) Inserting language to establish a height limit of four hundred feet for two Kakaako parcels owned by the Office of Hawaiian Affairs identified as tax map keys 2-1-15-61 and 2-1-58-6;
- (7) Inserting language to establish a Kakaako makai association fee to be collected from all residential owners in Kakaako on parcels identified as tax map keys 2-1-15-61, 2-1-58-6, 2-1-60-4, 2-1-60-5, and 2-1-60-6;
- (8) Inserting language to establish a Kakaako makai special account within the Hawaii community development revolving fund to be used to fund various services and projects, including but not limited to maintenance, improvements, free public parking for park users, public beach access, security, and parks and open spaces, for the Kakaako Community Development District makai of Ala Moana Boulevard and between Kewalo Basin and the foreign trade zone;
- (9) Removing amendments to section 1-28.5, Hawaii Revised Statutes, relating to the definition of government agency, for the purpose of clarity; and
- (10) 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 Hawaiian Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3122, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3122, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Majority Leader and Chair on behalf of the Committees.

Hawaiian Affairs

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Hee).

Economic Development, Government Operations and Housing

Ayes, 5; Ayes with Reservations (Chun Oakland, Slom). Noes, none. Excused, 2 (Baker, Thielen).

**SCRep. 2457 Ways and Means on S.B. No. 2890**

The purpose and intent of this measure is to clarify that references to the term “estate taxes” in the Internal Revenue Code (IRC), when used to make certain provisions of the IRC operative for the purposes of applying state income tax, refer to both the estate and generation-skipping tax imposed by chapter 236E, Hawaii Revised Statutes (HRS), and the estate and transfer tax imposed by chapter 236D, HRS.

The Department of Taxation submitted testimony in support of the measure. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that under current state law that makes the IRC operative for the purposes of applying state income tax, the law specifies the terms in the IRC that are to be substituted with terms used in state law. As currently written, section 235-3, HRS, only allows for the estate and transfer tax imposed by chapter 236D, HRS, to be substituted for the term “estate taxes” in the IRC when using the IRC provisions to apply the state version of estate taxes. However, the Legislature established the generation-skipping transfer tax under chapter 236E, HRS, during the Regular Session of 2012. Your Committee finds that this measure clarifies that references to estate taxes when applying IRC provisions relating to estate taxes shall include both the estate and transfer tax under chapter 236D, HRS, and the generation-skipping transfer tax under chapter 236E, HRS.

Your Committee has amended this measure by:

- (1) Applying the measure retroactively to January 26, 2012, when chapter 236E, HRS, became applicable; and
- (2) 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 S.B. No. 2890, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2890, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Tokuda).

**SCRep. 2458 Ways and Means on S.B. No. 2410**

The purpose and intent of this measure is to require each agency that submits a capital improvement project proposal to furnish the Department of Budget and Finance with an estimate of the operational costs for the proposed capital improvement project.

The measure also requires the Department of Budget and Finance to report to the Governor an estimate of the operational costs for each proposed capital improvement project.

The Department of Budget and Finance provided comments on this measure.

Your Committee finds that agencies that submit a proposal for a capital improvement project are currently not required to include an estimate of operational costs relating to the maintenance and continued operation of a facility or project. However, operational costs are often significant and at times are even more than the cost of development and construction. Your Committee believes that by requiring agencies to submit an estimate of operational costs, this measure will permit the State to make more fiscally sound decisions and better prioritize spending on capital improvement projects.

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 S.B. No. 2410, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2410, 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, 1 (Dela Cruz).

**SCRep. 2459 Ways and Means on S.B. No. 2153**

The purpose and intent of this measure is to require an evaluation of all state tax expenditures.

More specifically, this measure:

- (1) Requires the Department of Taxation to provide an annual report on tax expenditures to the Legislature on or before September 15th of each odd-numbered year; and
- (2) Requires legislation establishing new tax expenditures to include certain specified provisions.

The Department of Taxation and the Tax Foundation of Hawaii provided comments on the measure.

Your Committee finds that an evaluation of all state tax expenditures would better enable the Legislature to make fiscally-sound and effective spending decisions. Your Committee also finds that the Department of Taxation currently administers fourteen types of taxes

and that a significant amount of time and resources will be required by the Department to implement the necessary changes to the current tax forms and the Department's computer system to capture, analyze, and produce the data required by this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2014, to July 1, 2017, to allow the Department of Taxation sufficient time to begin capturing and analyzing data for the purposes of this measure; and
- (2) 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. 2153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2153, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Tokuda).

**SCRep. 2460 (Joint) Water and Land and Economic Development, Government Operations and Housing on S.B. No. 2803**

The purpose and intent of this measure is to make permanent the exemption from the prohibition on the operation of thrill craft in state waters for film production permit holders, authorized government personnel conducting operations approved by the Department of Land and Natural Resources, and ocean cleanup purposes.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Department of Business, Economic Development, and Tourism.

Your Committees find that as a filming location, Hawaii has a global reputation for world renowned surf, pristine waters, and expert water safety men and women who support this industry. The use of jet skis for film shoots is normally limited to use for water safety, picture vessels, transport of cast and crew members, and camera positioning. According to testimony of the Department of Business, Economic Development, and Tourism, there have been no reported complaints received by the Department of Land and Natural Resources or the Hawaii Film Office for use of thrill crafts for film production, nor were there any incidents of environmental damage or business disruptions.

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 Water and Land and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2803, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2803, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 7. Noes, none. Excused, 2 (Shimabukuro, Taniguchi).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Baker, Wakai).

**SCRep. 2461 (Majority) Ways and Means on S.B. No. 1065**

The purpose and intent of this measure is to make emergency appropriations to fund salary increases as well as other collective bargaining cost items for collective bargaining unit (11), as well as their excluded counterparts for fiscal biennium 2013-2015, pursuant to the collective bargaining agreement between public employers and collective bargaining unit (11).

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Fire Fighters Association.

Your Committee finds that emergency appropriations are needed for public employers to comply with the terms of the agreement negotiated between public employers and collective bargaining unit (11).

As affirmed by the record of votes of the members 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. 1065, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Tokuda).

**SCRep. 2462 Ways and Means on S.B. No. 2337**

The purpose and intent of this measure is to provide funding for the low-income housing tax credit loan program through revenues derived from the issuance of general obligation bonds.

Your Committee received written comments in support of the measure from the Hawaii Housing Finance and Development Corporation, Community Alliance for Mental Health, and General Contractors Association of Hawaii. The Department of Budget and Finance submitted written comments on the measure.

Your Committee finds that Act 158, Session Laws of Hawaii 2011, established a low-income housing tax credit loan program, which allows owners of qualified low-income buildings to receive an interest-free loan from the State in lieu of claiming the low-income housing tax credit under section 235-110.8, Hawaii Revised Statutes. Your Committee believes that funding the loan program

through revenues derived from an issuance of general obligation bonds is appropriate and will help address the need for low-income housing in the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, 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. 2337, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2337, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2463 Hawaiian Affairs on S.B. No. 2989**

The purpose and intent of this measure is to amend the law relating to the Native Hawaiian Roll Commission.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language specifying that the Office of Hawaiian Affairs shall serve as the repository for the roll of qualified native Hawaiians, including all documents, records, and files associated with the roll, once the Native Hawaiian Roll Commission is dissolved.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2989, as amended herein, and recommends that it be recommitted to the Committee on Hawaiian Affairs, in the form attached hereto as S.B. No. 2989, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2464 (Joint) Hawaiian Affairs and Technology and the Arts on S.B. No. 233**

The purpose and intent of this measure is to change the inscription dates on Queen Liliuokalani's statue to the dates of her coronation and death.

Your Committees received testimony in support of this measure from the State Foundation on Culture and the Arts and the Association of Hawaiian Civic Clubs. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies. Your Committees received comments on this measure from one individual.

The memorial statue of Queen Liliuokalani on the grounds of the State Capitol is a symbol and tribute to the Hawaiian Kingdom. Although Queen Liliuokalani never relinquished the throne, the inscription on the statue displays the date of Queen Liliuokalani's reign from the date of her coronation to the date of the wrongful and illegal overthrow of the Kingdom of Hawaii. To honor and respect Queen Liliuokalani's memory, the statue should reflect that Queen Liliuokalani reigned from the date of her coronation to the date of her death on November 11, 1917.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 233 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.  
Hawaiian Affairs  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).  
Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 2465 Human Services on S.B. No. 2718**

The purpose and intent of this measure is to amend the law relating to the Hawaii Children's Trust Fund.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language that:

- (1) Amends and establishes new responsibilities and members for the Hawaii Children's Trust Fund Advisory Board;
- (2) Amends the responsibilities of the Hawaii Children's Trust Fund Coalition; and
- (3) Repeals the Hawaii Children's Trust Fund Advisory Committee.

Your Committee has amended this measure by adopting the proposed S.D. 1.

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. 2718, as amended herein, and recommends that it be recommitted to the Committee on Human Services, in the form attached hereto as S.B. No. 2718, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 2466 Commerce and Consumer Protection on S.B. No. 2470**

The purpose and intent of this measure is to:

- (1) Lower the number of members on the Board of Directors of the Hawaii Health Connector to twelve, with a maximum of nine total voting members;
- (2) Remove members representing insurers and dental benefit providers from the Board;
- (3) Require all but one of the state agency representatives on the Board to be ex officio nonvoting members; and
- (4) Establish procedures for filling vacancies on the Board.

Your Committee received testimony in support of this measure from AARP; Community Alliance for Mental Health; Advantage Insurance Services, Inc.; and one individual. Your Committee received testimony in opposition to this measure from The Chamber of Commerce of Hawaii. Your Committee received comments on this measure from the Office of the Governor, Hawai'i Health Connector, and Hawai'i Primary Care Association.

Your Committee finds that this year will be a particularly important time for the Hawaii Health Connector as the Connector continues to improve operations, seeks stability, contemplates options for sustainability, and adapts to evolving requirements under the Patient Protection and Affordable Care Act of 2010 (Affordable Care Act). To best accomplish these objectives, the Board of Directors of the Hawaii Health Connector must be as efficient as possible.

Your Committee further finds that the insurer and dental benefit provider representatives currently serving on the Board of Directors for the Hawaii Health Connector have been a valuable resource to the Connector. As the Connector moves into the full implementation phase required by the Affordable Care Act, the need for recusal due to potential conflict of interest may increase for these representatives. Rather than having these Board members continue to recuse themselves, as is required under the Connector's strict conflict of interest rules, it is more efficient to establish a subcommittee of insurer and dental benefit provider representatives to offer assistance and insurance expertise to the Connector.

Your Committee additionally finds that this measure proposes a similar solution for the state agency representatives. Your Committee notes that the Offices of Healthcare Transformation and Information Management and Technology are integral to the implementing aspects of the Affordable Care Act in Hawaii. Rather than adding representatives from these offices to the number of ex officio members on the Board, your Committee finds amendments to this measure are necessary that would authorize the Governor to designate an official voting member of the Board from among various state agencies and offices.

Your Committee has amended this measure by:

- (1) Specifying that the list of state representatives from which the Governor may designate the official state representative on the Board of Directors of the Hawaii Health Connector includes representatives from the Office of Healthcare Transformation and the Office of Information Management and Technology;
- (2) Requiring the Governor to notify the Chair of the Board of Directors regarding the selection of the designated voting and nonvoting state representative members of the Board;
- (3) Clarifying that the designated ex officio members of the board shall serve during their entire term of office or until the Governor names a replacement;
- (4) Amending the purpose section for clarity;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2470, 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. 2467 Water and Land on S.B. No. 2330**

The purpose and intent of this measure is to:

- (1) Remove the Superintendent of Education from the Kaneohe Bay Regional Council;
- (2) Delete the requirements that the Chairperson of the Council be a nongovernmental member and that the Chairperson may not serve more than 2 consecutive years;
- (3) Delete the requirement that the Council hold annual hearings until 1999 on the status of the master plan; and
- (4) Require the Council to review and report on the continued relevance and need for changes in its powers, duties, and functions as codified in section 200D-3, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Ko'olau Foundation; Ko'olaupoko Hawaiian Civic Club; Kako'o 'Oiwī; and one individual. Your Committee received comments on this measure from two individuals.



Your Committee finds that the Kaneohe Bay Regional Council, for one reason or another, has not functioned at optimal capacity in recent years. In fact, your Committee heard testimony that it is difficult for the Council to have a quorum and so meetings are few. This measure is intended to address that issue as well as other concerns.

Your Committee has amended this measure on the recommendation of the Department of Land and Natural Resources by:

- (1) Replacing the Council member from the Aquatic Resources Division with the Administrator of the Aquatic Resources Division, who shall also serve as Chairperson of the Council;
- (2) Requiring quarterly meetings of the Council on the status and implementation of the master plan and deleting the reference to the Hawaii Institute of Marine Biology; 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2330, 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, 2 (Dela Cruz, Ruderman).

**SCRep. 2468 Water and Land on S.B. No. 2877**

The purpose and intent of this measure is to clarify that no use permit for a state small boat harbor facility may be transferred unless specifically provided by law.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from Ocean Tourism Coalition, Maui Dive Shop, and Fair Wind Cruises.

Your Committee finds that this measure seeks to clarify that use permits issued to a corporation or other business entity for a state small boat harbor facility may only be transferred if the corporation or other business entity holds a valid commercial use permit. This measure prevents people from bypassing the waitlist for a regular mooring permit by acquiring a corporation or other business entity holding a regular mooring permit.

Your Committee has amended this measure on the recommendation of the Department of Land and Natural Resources (DLNR) by:

- (1) Defining the terms “control” and “transfer”;
- (2) Exempting transfers of stock or interest in a corporation or other business entity between immediate family members solely for estate planning purposes from paying the DLNR a business transfer fee; 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2877, 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, 2 (Dela Cruz, Ruderman).

**SCRep. 2469 (Joint) Water and Land and Energy and Environment on S.B. No. 2878**

The purpose and intent of this measure is to recognize in statute the State’s role in co-managing the Hawaiian Islands Humpback Whale National Marine Sanctuary.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Aha Moku Advisory Committee, and ten individuals.

Your Committees find that the Hawaiian Islands Humpback Whale National Marine Sanctuary (Sanctuary) has been co-managed by the National Oceanic and Atmospheric Administration and the Department of Land and Natural Resources through a compact agreement since 1998. The Sanctuary has achieved many successes over the last fifteen years, including disentangling nearly twenty humpback whales, conducting cutting-edge research, and developing nationally recognized education and outreach programs. However, recognition of the State’s co-management of the Sanctuary has never been formally established under state law. State recognition of co-management is critical to maintain state sovereignty and to underscore the State’s commitment to co-management over the long term.

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 Water and Land and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2878, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2878, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Water and Land  
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Galuteria, Taniguchi).  
Energy and Environment  
Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 2470 Water and Land on S.B. No. 2879**

The purpose and intent of this measure is to recognize in state law the State's role in co-managing the Papahānaumokuākea Marine National Monument.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Aha Moku Advisory Committee.

Your Committee finds that on June 15, 2006, the Northwestern Hawaiian Islands National Marine Monument was established by Presidential Proclamation 8031 under the authority of the U.S. Antiquities Act (16 U.S.C. 431-433). The State of Hawaii, National Oceanic and Atmospheric Administration, and United States Fish and Wildlife Service, were named as the Co-Trustees for the area. State recognition of the State's role in co-management and underlying responsibilities for the area is critical to maintain state sovereignty and to underscore the State's commitment to the resources of the Papahānaumokuākea Marine National Monument over the long term.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2879 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, 7. Noes, none. Excused, 2 (Dela Cruz, Ruderman).

**SCRep. 2471 Ways and Means on S.B. No. 2807**

The purpose and intent of this measure is to increase the balance remaining in the unclaimed property trust fund at the end of each fiscal year from \$1,300,000 to \$4,000,000 to adequately pay claims and administrative expenses.

The Department of Budget and Finance submitted testimony in support of the measure.

Your Committee finds that the substantial increase in claims of unclaimed property prompts the need to increase the unclaimed property trust fund balance at the end of each fiscal year to meet the demands of viable claims.

As affirmed by the record of votes of the members 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. 2807 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, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2472 Ways and Means on S.B. No. 2829**

The purpose and intent of this measure is to appropriate general funds to the emergency and budget reserve fund now that the State is emerging from a very challenging economic period.

The Department of Budget and Finance and the Hawaii Primary Care Association submitted testimony in support of the measure.

Your Committee finds that it is prudent and fiscally sound to accelerate the recapitalization of the State's emergency and budget reserve fund now that the economy is improving.

Your Committee has amended this measure by changing the amount of the appropriation to an unspecified sum.

As affirmed by the record of votes of the members 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. 2829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2829, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2473 Ways and Means on S.B. No. 2411**

The purpose and intent of this measure is to repeal references in the Hawaii Revised Statutes to "subsidy" or "subsidies" as a type of funding award that may be made to a private organization or individual for a public purpose.

No testimony was submitted regarding this measure.

Your Committee finds that no substantive difference exists in the Hawaii Revised Statutes between a "grant" and a "subsidy", and that the term "subsidy" is therefore unnecessary.

Your Committee also finds that there are sections of the Hawaii Revised Statutes that contain the term "subsidy" or "subsidies" that are not included in this measure. For purposes of consistency, your Committee has amended this measure to include those additional sections that contain the term "subsidy" or "subsidies".

Specifically, the measure was amended to make conforming amendments to:

- (1) Section 6E-2, the definition of "project";
- (2) The title of chapter 42F;
- (3) Section 46-15.1(c)(3);
- (4) Section 103-53(e)(3);

- (5) Section 103F-409(b);
- (6) Section 261-6(g);
- (7) Section 302D-28(d);
- (8) Section 321-442(a); and
- (9) Section 352D-6(12).

With regard to the amendment to section 352D-6(12), Hawaii Revised Statutes, your Committee also amended a reference to chapter 42D, Hawaii Revised Statutes, which was repealed in 1998, and replaced it with a reference to chapter 103F, Hawaii Revised Statutes, which is the current law governing health and human services purchases of services.

Finally, your Committee has amended the measure to provide that the amendment to section 46-15.1(c), Hawaii Revised Statutes, shall not be repealed when the section is reenacted on June 30, 2015, pursuant to section 3 of Act 141, Session Laws of Hawaii 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. 2411, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2411, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2474 (Joint) Water and Land and Energy and Environment and Hawaiian Affairs on S.B. No. 2875**

The purpose and intent of this measure is to require the Endangered Species Recovery Committee to include a person possessing a background in native Hawaiian traditional and customary practices.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and four individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that currently, nearly all of the boards and commissions under the Department of Land and Natural Resources require a member with a background in native Hawaiian traditional and customary practices. As the Department is obligated under the Hawaii State Constitution, state law, and case law to preserve and protect the exercise of traditional and customary native Hawaiian rights, it would provide great value to include on the Endangered Species Recovery Committee a person with expertise in this area to provide guidance on natural resource protection and management decisions.

As affirmed by the records of votes of the members of your Committees on Water and Land, Energy and Environment, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2875 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.

Water and Land  
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Ihara, Taniguchi).

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Ihara).

Hawaiian Affairs  
Ayes, 3. Noes, none. Excused, 2 (Hee, Kidani).

**SCRep. 2475 (Joint) Water and Land and Hawaiian Affairs on S.B. No. 2874**

The purpose and intent of this measure is to require at least one member of the Board of Land and Natural Resources to have a background in native Hawaiian traditional and customary practices.

Your Committees received testimony in support of this measure from the Board of Land and Natural Resources and three individuals.

Your Committees find that the Department of Land and Natural Resources, as a state agency, is obligated under the state constitution, state law, and case law to preserve and protect the exercise of traditional and customary native Hawaiian rights. Requiring one member of the Board of Land and Natural Resources to have a background in native Hawaiian traditional and customary practices supports this obligation.

As affirmed by the records of votes of the members of your Committees on Water and Land and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2874 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.

Water and Land  
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Ruderman, Taniguchi).

Hawaiian Affairs  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 2476 Commerce and Consumer Protection on S.B. No. 2478**

The purpose and intent of this measure is to update the scope of practice for chiropractic to reflect standards, practices, and terminology accepted by the National Board of Chiropractic Examiners.

Your Committee received testimony in support of this measure from the Board of Chiropractic Examiners and Hawaii State Chiropractic Association. Your Committee received testimony in opposition to this measure from the Hawaii Medical Association, Hawaii Insurers Council, and Hawaii Chapter of the American Physical Therapy Association.

Your Committee finds that this measure updates the scope of practice for chiropractic in conformity to the standards of practice set by accredited colleges, National Board Exams, and Hawaii Administrative Rules governing chiropractic practice in Hawaii. This measure therefore enables the scope of practice for chiropractors in Hawaii to reflect standards of care, practices, and terminology that are aligned with nationally recognized practice parameters and keep abreast with advances in health care and the chiropractic profession.

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. 2478 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 (Nishihara, Wakai).

**SCRep. 2477 Commerce and Consumer Protection on S.B. No. 2491**

The purpose and intent of this measure is to replace references to advanced practice registered nurse recognition in the Hawaii Revised Statutes with advanced practice registered nurse licensure.

Your Committee received testimony in support of this measure from the Board of Nursing, Hawaii Association of Professional Nurses, Hawaii State Center for Nursing, American Association of Nurse Practitioners, and six individuals.

Your Committee finds that Hawaii was one of the first states in the country to adopt the Consensus Model for advanced practice registered nurses, which provides guidance for states to adopt uniformity in the regulation of advanced practice registered nurse roles. However, to fully align with the Consensus Model, references in the Hawaii Revised Statutes must be changed from advanced practice registered nurse recognition to advanced practice registered nurse licensure.

Your Committee further finds that as long as regulatory requirements and language differ from state to state, each state border represents an obstacle to portability, potentially preventing access to professionals and access to care. Your Committee additionally finds that this measure does not affect existing advanced practice registered nurse licensure or relicensure requirements. Rather, this measure aligns Hawaii's statutes with national standards and is necessary to prevent obstacles to portability for Hawaii advanced practice registered nurses who choose to practice in another 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. 2491 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 (Nishihara, Wakai).

**SCRep. 2478 Commerce and Consumer Protection on S.B. No. 2818**

The purpose and intent of this measure is to change the annual license renewal date for mortgage servicers from June 30 to December 31 of each calendar year.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure conforms Hawaii's renewal date for mortgage servicers to NMLS, a nationwide system for state licensing and registration of state-licensed mortgage servicers and other financial service providers. NMLS only allows renewals on December 31 of each year and cannot accommodate a mid-year renewal period. Your Committee further finds that consistency with NMLS will save time and paperwork for the mortgage servicer industry and the Division of Financial Institutions of 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. 2818 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 (Nishihara, Wakai).

**SCRep. 2479 Commerce and Consumer Protection on S.B. No. 2476**

The purpose and intent of this measure is to:

- (1) Require real estate appraisers acting as arbitrators to record arbitration awards; findings of fact, rationale, and information regarding the evidence; and any supplementary, dissenting, or explanatory opinions with the Bureau of Conveyances within ninety days of the determination of the award and its notification to the parties; and
- (2) Specify that no agreement between the parties or the appraisers acting as arbitrators may preclude or deny the recordation of the award, the record of the award, or any supplementary, dissenting, or explanatory opinions.

Your Committee received testimony in support of this measure from the Citizens for Fair Valuation; McCully Works, Inc.; Bacon-Universal Company, Inc.; Mutual Plumbing Supply Co., Inc.; Pacific Jobbers Warehouse, Inc.; and three individuals. Your Committee received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii.

Your Committee finds that Act 227, Session Laws of Hawaii 2011 (Act 227), was intended to require real estate appraisers, when acting as arbitrators in long-term ground lease rent valuations, to provide relevant data related to the findings of fact and methodologies employed to support their conclusions, within the record of the award. Act 227 was intended to bring data, openness, and transparency to a market controlled by few landlords and very few commercial and industrial appraisers.

Unfortunately, since the enactment of Act 227, many appraisers acting as arbitrators have required confidentiality clauses to be added to submission agreements, which govern arbitration between the parties. These confidentiality clauses frustrate the legislative intent of Act 227. Your Committee further finds that the development of an open market valuation process requires that these arbitration awards, records of awards, and related supporting materials must be public records.

Your Committee further finds that this measure does not change existing lease agreements and therefore is not in violation of the Contracts Clause of the United States Constitution. Rather, this measure requires appraisers acting as arbitrators to file arbitration reports with the Bureau of Conveyances, thereby allowing public access to data that has previously been kept solely in the hands of those who control the land.

Your Committee additionally finds that Act 227 requires appraisers in arbitration proceedings to certify compliance with the most current Uniform Standards of Professional Appraisal Practice (USPAP). Your Committee notes that USPAP has an exception to its confidentiality rule, which provides that an appraiser must not disclose confidential information to anyone other than "third parties as may be authorized by due process of law." Act 227's requirement for appraisers acting as arbitrators to report the basis of an award would therefore fall under this exception permitted by USPAP.

Your Committee also finds that amendments to this measure are needed to better ensure the openness and transparency originally contemplated by Act 227.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 466K-6, Hawaii Revised Statutes, rather than adding a new section to chapter 466K, Hawaii Revised Statutes, and further amending section 466K-6, Hawaii Revised Statutes, by:
  - (A) Requiring arbitration awards, records of awards, and related supporting materials to be public records;
  - (B) Clarifying that real estate appraisers named or appointed as an arbitrator in a submission agreement to appraise or arbitrate entered into after July 1, 2014, shall record with the Bureau of Conveyances all arbitration awards; records of awards, if separately issued; and any supplementary, dissenting, or explanatory opinions on awards within ninety days of the notification of the determination of the award to the parties;
  - (C) Clarifying that recording requirements for records of and related to arbitration awards shall not be precluded or denied through agreement between the parties or arbitrators; and
  - (D) Specifying that failure to comply with recording requirements is a violation of real estate appraiser license or certification requirements;
- (2) Amending the purpose section for clarity; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2476, 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. 2480 Commerce and Consumer Protection on S.B. No. 2467**

The purpose and intent of this measure is to conform the definition of "podiatric medicine" to national standards regarding diagnosis and treatment of the foot and ankle.

Your Committee received testimony in support of this measure from the Hawaii State Medical Board, Podiatry Advisory Committee; Hawaii Podiatric Medical Association; Maui Medical Group, Inc.; Aloha Surgical Center; and twenty-eight individuals. Your Committee received testimony in opposition to this measure from the Hawaii Medical Association and three individuals. Your Committee received comments on this measure from the Hawaii Medical Board.

Your Committee finds that podiatrists have extensive training, experience, and qualifications to perform all levels of foot, ankle, and lower leg surgery. However, Hawaii's existing scope of practice for podiatrists was formulated over twenty years ago and does not adequately reflect the advanced surgical training that practicing podiatrists receive in the treatment of foot and ankle disorders. Your Committee further finds that forty-five states permit podiatrists to perform surgery on ankles, including the surgical treatment of ankle fractures.

Your Committee additionally finds that this measure enables podiatrists in Hawaii to perform to the full extent of their skills, training, and ability and allows podiatrists to provide the best continuity of care for their patients. Updating the scope of practice for podiatrists also ensures that patients, especially those in rural areas or on the neighbor islands, who suffer from lower extremity ailments have better access to highly-qualified health care providers trained in the treatment of disorders of the foot and ankle. Your Committee also finds that this measure will strengthen the practice of podiatric medicine and surgery in 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. 2467 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 (Nishihara, Wakai).

**SCRep. 2481 (Majority) Ways and Means on S.B. No. 2841**

The purpose and intent of this measure is to establish an Interim Assistance Reimbursement Special Fund, into which interim assistance reimbursements from the federal Social Security Administration shall be deposited for reimbursements for state-funded financial assistance payments for recipients who are retroactively approved for federal Supplemental Security Income.

Your Committee received written comments in support of this measure from the Department of Human Services.

Your Committee finds that section 346-57, Hawaii Revised Statutes, authorizes the Department of Human Services to make loans to applicants of federal Supplemental Security Income. If Supplemental Security Income is approved, the federal Social Security Administration retroactively reimburses the Department for the state-funded assistance provided. Your Committee also finds that it may take several months or years before a determination of Supplemental Security Income may be made. As a result, the Department often does not receive interim assistance reimbursements from the Social Security Administration for state-funded benefits paid to social security income applicants during the same fiscal year in which the benefits are paid. Because the Department is not allowed to retain interim assistance reimbursements received for a prior fiscal year, a significant amount of the interim assistance reimbursements received by the Department lapses into the general fund. The lapsing of these reimbursements has led to an underfunding of state-funded financial assistance programs. Your Committee further finds that this measure would ensure state-funded financial assistance programs remain more adequately funded, by utilizing moneys that would otherwise lapse into the general fund.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) 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. 2841, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2841, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2482 Ways and Means on S.B. No. 2308**

The purpose and intent of this measure is to appropriate funds for programs and services for children of incarcerated parents and to assist former inmates with reuniting with their families.

Your Committee received written comments in support of this measure from the Department of Public Safety, Community Alliance on Prisons, Hawaii Youth Services Network, and four individuals.

Your Committee finds that providing support to incarcerated and recently released parents and their children helps strengthen families and benefits society by reducing recidivism and improving child development.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2308, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2308, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2483 Ways and Means on S.B. No. 2541**

The purpose and intent of this measure is to appropriate funds to the Hawaii Public Housing Authority to redevelop the Hawaii Public Housing Authority's administrative offices and to design and construct an elderly-only housing complex at the Hawaii Public Housing Authority's 1002 North School Street location.

Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority and the Community Alliance for Mental Health.

Your Committee finds that, currently, the Hawaii Public Housing Authority does not operate any elderly-only facility and that there is an increasing need for elderly housing within the State. This measure will allow the Hawaii Public Housing Authority to establish an elderly-only housing complex to help address that need.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure;
- (2) Changing the appropriation amount to an unspecified sum; 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. 2541, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2541, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2484 Ways and Means on S.B. No. 2348**

The purpose and intent of this measure is to help increase the likelihood of successful health outcomes for individuals in need of emergency medical care by appropriating funds to establish two life support ambulances, to be based in the Puna and Makalei areas on the island of Hawaii.

Your Committee finds that providing these additional ambulances would help reduce death and disability among residents and visitors to the island of Hawaii by facilitating timely responses to emergencies and by reducing the potential for paramedic fatigue that can result in dangerous errors.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2348, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2348, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2485 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2574**

The purpose and intent of this measure is to permit board certified pain specialist physicians to prescribe medical marijuana beginning January 2, 2015.

Your Committees received testimony in support of this measure from the Hawaii Medical Association, Hawaii Sustainable Alliance, Ho'okipa Network – Kauai, and several individuals. Your Committees received testimony in opposition to this measure from the Drug Action Policy Group, Community Alliance on Prisons, Big Island Americans for Safe Access, and four individuals. Your Committees received comments on this measure from the Department of Health; Police Department, County of Maui; and several individuals.

Your Committees find that it is difficult for many individuals to obtain a primary care physician in Hawaii, particularly on the neighbor islands. Due to a shortage of primary care physicians in some areas, individuals who are benefitting from medical marijuana find it difficult to continue to receive a medical recommendation, as do untreated individuals who may benefit from medical marijuana. Furthermore, some insurance providers and physicians are prevented from recommending medical marijuana under federal regulations. This measure expands the number of qualified professionals who may prescribe medical marijuana in Hawaii, which will help patients across the State.

Your Committees have amended this measure by:

- (1) Additionally permitting ophthalmologists, oncologists, and board certified palliative care physicians to prescribe medical marijuana beginning on January 2, 2015;
- (2) Adding a definition of primary care physician;
- (3) Changing the effective date to January 2, 2015; and
- (4) 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 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. 2574, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2574, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

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

Commerce and Consumer Protection  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 2486 (Joint) Agriculture and Water and Land and Hawaiian Affairs on S.B. No. 2241**

The purpose and intent of this measure is to prohibit the Board of Land and Natural Resources, in declaring residential development areas and acquiring lands therein, from disturbing lands and infrastructure used or to be used for wetland taro growing, including ancient wetland taro lands and structural elements of ancient taro-growing systems.

Your Committees received testimony in support of this measure from the Taro Security and Purity Task Force, Hui 'O Malama 'Aina, Pesticide Action Network North America, Seeds of Truth, Kaaawa Community Association, Paradise Action Women's Alliance, Center for Food Safety, Waihuena Farm, Hawaii Sustainable Community Alliance, and fifty-two individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources and Hawaii Farmers Union United.

Your Committees find that taro is a high-yielding, nutrient-rich crop that is intertwined with the Hawaiian culture and has the potential to significantly increase the State's food security. As a result, the taro security and purity task force established under Act 211, Session Laws of Hawaii 2008, recommends improved protections for taro lands.

Your Committees, however, have concerns about this measure's effectiveness. Some committee members are concerned that this measure does not go far enough in protecting taro lands. They would like to see specific parcels of land identified and designated by the Department of Land and Natural Resources for taro production purposes only. Other committee members are concerned that although this measure protects taro lands from development, it does not ensure that these lands have a sufficient water source, which is vital to successful taro production. One committee member noted that, if taro lands do have an adequate water source, the land may require a federal exemption from the Clean Water Act, which may be a significant financial and administrative burden on taro farmers. As this measure moves forward in the legislative process, your Committees would like this measure to specify the parcels of land that are to be protected considering the lands' nexus with water and other practical concerns.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Agriculture, Water and Land, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2241, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2241, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

**Agriculture**

Ayes, 6. Noes, none. Excused, 1 (Slom).

**Water and Land**

Ayes, 5. Noes, none. Excused, 4 (Ihara, Ruderman, Taniguchi, Slom).

**Hawaiian Affairs**

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2487 Water and Land on S.B. No. 180**

The purpose and intent of this measure is to amend section 187A-23, Hawaii Revised Statutes, to vest in the village elder who is domiciled on Niihau exclusive konohiki rights and to make clarifying amendments to the duties and powers of the konohiki.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs and eight individuals. Your Committee received testimony in opposition to this measure from the Ocean Tourism Coalition and seven individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that Niihau has approximately one hundred thirty permanent inhabitants, nearly all of whom are Native Hawaiians who live in the island's main settlement of Pu'uwai. They support themselves largely by subsistence fishing and farming, in the manner of the ancient Hawaiians. Residents speak the Hawaiian language as their first language to help preserve Hawaiian culture and tradition. Niihau is perhaps the last remaining vestige of that Native Hawaiian culture and tradition. The translation of the term "konohiki" is headman of an ahupua'a land division under the chief. The konohiki traditionally controlled land or fishing rights under the control of the konohiki, also referred to as konohiki rights.

Elizabeth McHutchison Sinclair (1800–1892) purchased Niihau and parts of Kauai from Kamehameha V in 1864. Private ownership passed on to her descendants, the Robinson family. In 1915, Sinclair's grandson Aubrey Robinson closed the island to most visitors. Even relatives of the inhabitants could visit only by special permission. Upon Aubrey's death in 1939, the island passed to his son Aylmer, and in 1968 to Aylmer's youngest brother Lester. Upon Lester's wife's death, the island passed to Lester's sons, Bruce and Keith Robinson, the current co-owners.

Your Committee finds that section 187A-23, Hawaii Revised Statutes, recognizes konohiki rights. This Act fulfills the intent of Kamehameha V in deeding Niihau to Elizabeth McHutchison Sinclair, that she and her heirs manage the island as private property. In effect, this measure is conferring on the Robinson family the same powers and privileges that King Kamehameha V bestowed on them and their heirs.

Your Committee also finds that this measure facilitates Native Hawaiian recognition as provided in statute under chapter 10H, Hawaii Revised Statutes, relating to Native Hawaiian recognition. Specifically, section 10H-1, Hawaii Revised Statutes, provides: "The Native Hawaiian people are hereby recognized as the only indigenous, aboriginal, maoli people of Hawaii."

Your Committee wishes to comment that this measure is a work in progress and by recommending it for passage on Second Reading, your Committee intends for the discussions to continue.

Your Committee has amended this measure by:



- (1) Inserting a purpose section;
- (2) Establishing konohiki rights for Niihau as a separate chapter in the Hawaii Revised Statutes, rather than amending section 187A-23, Hawaii Revised Statutes;
- (3) Specifying that an individual, rather than an adult kupuna, may be vested with konohiki rights on Niihau;
- (4) Specifying that the konohiki of Niihau shall be selected by the Chairperson of the Board of Land and Natural Resources in consultation with the private owner of Niihau;
- (5) Extending the fishing grounds of Niihau subject to konohiki rights from the distance of one geographical mile seaward of the beach at low watermark to the distance of two geographical miles seaward of the shoreline;
- (6) Specifying that vested fishing rights of the private fishery shall be established by rules adopted by the Department of Land and Natural Resources, rather than pursuant to proceedings in conformity with the Organic Act;
- (7) Amending the rights of the konohiki of Niihau to delete language relating to the exclusive right of the konohiki to take certain species or aquatic life set apart by the konohiki; and
- (8) 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 180, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 180, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Thielen, Slom). Noes, none. Excused, 4 (Dela Cruz, Ihara, Ruderman, Taniguchi).

**SCRep. 2488 Commerce and Consumer Protection on S.B. No. 2486**

The purpose and intent of this measure is to amend various provisions relating to private guards and individuals acting in a guard capacity by:

- (1) Reducing the continuing education requirement to four hours every two years;
- (2) Delaying the continuing education requirement to prior to the June 30, 2016, renewal cycle; and
- (3) Making permanent the registration and licensure requirements for private guards and individuals acting in a guard capacity by repealing the sunset date of Act 208, Session Laws of Hawaii 2010 (Act 208).

Your Committee received testimony in support of this measure from the Board of Private Detectives and Guards, Hawaii Council of Associations of Apartment Owners, and one individual. Your Committee received testimony in opposition to this measure from Transcend, Inc.; Rainbow Family 808; and five individuals.

Your Committee finds that Act 208, was intended to ensure the competency and professionalism of private security guards and individuals acting in a guard capacity by requiring these individuals to register as a guard with the Board of Private Detectives and Guards and meet new registration, instruction, and training requirements prior to acting as a guard.

Your Committee further finds that, thanks to the hard work of the Board of Private Detectives and Guards, approximately 9,000 guard employees were registered in 2013. Because initial registration of these individuals includes an educational component, the 9,000 newly registered guard employees have recently completed mandatory training. Your Committee notes that this measure does not affect the mandatory training private security guards and individuals acting in a guard capacity must undergo prior to registration with the board. Rather, this measure preserves the continuing education requirement, but delays it until June 30, 2016, thus providing sufficient time for its development, administration, and implementation.

Your Committee additionally finds that the board and the private detective and guard industry concur that four hours of continuing education every two years, as proposed by this measure, is sufficient to refresh guard employees on important training concepts included in the initial eight-hour training curriculum and ensure that guard employees are kept abreast of current trends in the guard industry.

Your Committee has heard the concerns raised in testimony that Act 208 does not impose liability on employers for hiring or using unregistered guards. Your Committee understands these concerns but notes that the Board of Private Detectives and Guards has jurisdiction over guard agencies, not private employers such as hotels or retail establishments. Furthermore, although the Regulated Industries Complaints Office has the ability to investigate an employer that hires or uses unregistered individuals acting as security guards or in a guard capacity, such investigation may be beyond the scope of the board's duties. Nevertheless, your Committee requests the board to consider these issues raised in testimony and, if appropriate, consider the adoption of rules to address these concerns.

Finally, your Committee notes that because the continuing education requirements for private detectives and guards are scheduled to go into effect June 30, 2014, an amendment to the effective date of this measure is needed.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of June 29, 2014; and
- (2) Making a technical, nonsubstantive amendment 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. 2486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2486, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 2489 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 2475**

The purpose and intent of this measure is to clarify that a contractor licensee who aids and abets an unlicensed contractor may be subject to additional discipline by the Contractors License Board.

Your Committees received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Contractors License Board, Subcontractors Association of Hawaii, Building Industry Association of Hawaii, Hawaii Island Contractors' Association, and Hawaii Laborers' Union.

Your Committees find that the Contractors License Board has determined that aiding and abetting an unlicensed contractor under section 444-9.3, Hawaii Revised Statutes, only applies to criminal conduct and penalties and is outside the scope of administrative proceedings. Since aiding and abetting conduct often occurs outside of a contract, the Regulated Industries Complaints Office is unable to administratively prosecute violations of section 444-9.3, Hawaii Revised Statutes, as written.

Your Committees further find that this measure enables the Regulated Industries Complaints Office to pursue, and authorizes the Contractors License Board to take, disciplinary action against contractor licensees who aid and abet unlicensed contractors. This measure will also enhance enforcement and consumer protection efforts by dissuading licensed contractors from recommending unlicensed contractors to unwitting consumers.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2475 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.

Commerce and Consumer Protection  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

Judiciary and Labor  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 2490 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 2233**

The purpose and intent of this measure is to:

- (1) Extend the sunset date of Act 119, Session Laws of Hawaii 2013, relating to the deregistration of fee non-time share interests; and
- (2) Clarify the actions taken after a certificate of title for a fee time share interest is deregistered and marked cancelled by the Assistant Registrar.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, Department of Land and Natural Resources, and McCorriston Miller Mukai MacKinnon LLP. Your Committees received comments on this measure from the Hawaii State Judiciary.

Your Committees find that although there have not been a large number of requests for deregistration of real property from the Land Court, over the past three years it has become apparent that the voluntary registration process originally set up by Act 120, Session Laws of Hawaii 2009, has certain issues that need to be addressed, including notice to persons or entities who may have an interest in land to be deregistered, the effect of deregistration on condominium property regimes, and the coordination of the deregistration process between the Bureau of Conveyances, the Office of the Registrar of the Land Court, and the state land surveyor. Your Committees further find that since the passage of Act 119, Session Laws of Hawaii 2013, an informal working group has been discussing these issues. This measure permits voluntary deregistration of fee non-time share interests to continue while the working group furthers its discussion.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2233 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.

Commerce and Consumer Protection  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

Judiciary and Labor  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 2491 Commerce and Consumer Protection on S.B. No. 2033**

The purpose and intent of this measure is to make technical, nonsubstantive amendments to the rulemaking authority of the Board of Dental Examiners.

Your Committee received testimony in support of this measure from the Board of Dental Examiners.

Your Committee finds that this measure makes nonsubstantive changes to section 448-6, Hawaii Revised Statutes, by specifying that the Board of Dental Examiners shall adopt rules pursuant to chapter 91, 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. 2033 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 (Nishihara, Wakai).

**SCRep. 2492      Judiciary and Labor on S.B. No. 2223**

The purpose and intent of this measure is to allow a family court to change the name of a minor child in a divorce proceeding of the parents if the child was the victim of child sexual abuse by either parent or if the court determines that the name change is in the best interests of the child when there has been no conviction of a parent for sexual abuse.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Sex Abuse Treatment Center, Rainbow Family 808, and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that child abuse can have long-term impacts. The Sex Abuse Treatment Center testified that survivors of child abuse may experience emotions, such as fear, guilt, anger, and confusion, well after the sexual abuse occurred. Survivors may also experience a loss of self-esteem or depression and anxiety and may be at high risk for suicide, eating disorders, substance abuse, and difficulties in maintaining relationships. The Sex Abuse Treatment Center also testified that in cases of intrafamilial sexual abuse, the effects can be even more pervasive for the survivor because the abuse was perpetrated by a person who should have been a caretaker and protector of the survivor rather than one who hurt, violated, or exploited the survivor. This measure allows a family court to change the name of a minor child in a divorce proceeding, so that the minor child's name at the time of the sexual abuse does not serve as a constant reminder of the sexual abuse. However, your Committee suggests that in making such a finding, the court consider names that have a genealogical link to the minor as a means to assist in any future efforts to reunify the family.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2223 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 (Slom).

**SCRep. 2493      Judiciary and Labor on S.B. No. 2687**

The purpose and intent of this measure is to allow a victim of child sexual abuse to bring a civil action against the victim's abuser or an entity, except for the State or counties, when the entity was grossly negligent, if the statute of limitations for filing a civil claim has lapsed and the victim has not yet attained the age of fifty-five.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, The Sex Abuse Treatment Center, Rainbow Family 808.com, and nine individuals. Testimony in opposition to this measure was submitted by the Department of the Attorney General and Hawaii Catholic Conference. Your Committee received comments on this measure from two individuals.

Your Committee finds that child sexual abuse is an epidemic that unfortunately is not adequately addressed because a vast majority of child sexual abuse victims fail to report their sexual assaults to the authorities. The Sex Abuse Treatment Center testified that many children do not disclose sexual abuse immediately. Studies have estimated that between sixty to eighty percent of child sexual abuse victims withhold disclosure. Furthermore, studies examining latency in disclosure report an average delay of three to eighteen years.

In response to this epidemic, the Legislature passed Act 68, Session Laws of Hawaii 2012 (Act 68), to extend the statute of limitations for civil actions brought by a victim of sexual offenses as a minor against the person who committed the act and establish a two-year window to allow a victim of sexual abuse to bring a cause of action if bringing such an action was barred due to the expiration of the statute of limitations that was in effect prior to April 24, 2012. Your Committee further finds that the two-year window to allow a victim of child sexual abuse to bring a cause of action that is otherwise barred will sunset on April 24, 2014, if legislative action is not taken. This measure extends this window for a victim to file a cause of action if the statute of limitations has lapsed and the victim has not yet attained the age of fifty-five.

Your Committee notes the concerns raised by the Department of the Attorney General that extending the two-year window to when the victim attains the age of fifty-five could severely prejudice the defendants in a lawsuit who may not be the accused perpetrator and an entity that is subject to the law. The Department explained that this extension could potentially allow a victim to bring a cause of action more than four decades after the sexual assault occurred during which time memories fade, witnesses move or pass away, and documents are lost or destroyed. Thus, the Department testified that the two-year window was a reasonable period of time to allow victims the opportunity to have a second chance to file a claim that they were otherwise barred from filing and the two-year window should sunset. However, your Committee recognizes that it may take years, sometimes decades, for victims of child sexual abuse to develop the strength and courage to report incidences of child sexual abuse. Therefore, extending the window to when the victim attains the age of fifty-five provides additional time for a victim of child sexual abuse to come forward.

Your Committee further notes the concerns raised by the Department of the Attorney General that this measure could potentially result in the filing of false claims, especially when the supporting evidence may no longer be available or memories of the incident have faded. However, your Committee strongly believes that Act 68, codified under section 657-1.8, Hawaii Revised Statutes, provides adequate mechanisms and procedures to prevent false claims, including requiring the filing of a certificate of merit to the court that sets forth in reasonable detail the facts and opinions relied upon to conclude that there is a reasonable basis to believe that the

plaintiff was subject to sexual abuse as a child and allowing the defendant to recover attorney's fees if the court determines that a false accusation was made with no basis in fact and with malicious intent.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Hawaii State Commission on the Status of Women to change the standard used by the court to award damages against a legal entity, except for the State or counties, from a finding of gross negligence to a finding of negligence on the part of the legal entity;
- (2) Adopting the language suggested by an individual to prohibit the court, plaintiff, or certain individuals from being required to disclose the contents of the sealed certificate of merit that is filed with the court;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2687, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Solomon). Noes, none. Excused, 1 (Slom).

**SCRep. 2494 Commerce and Consumer Protection on S.B. No. 2480**

The purpose and intent of this measure is to:

- (1) Allow prospective purchasers of time share interests to receive printed or electronic copies of the time share plan disclosure statement; and
- (2) Simplify the renewal requirements for developers by clarifying the information the developers must submit; and
- (3) Eliminate requirements that developers provide title insurance and title reports and file financial statements.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, American Resort Development Association Hawaii, Wyndham Vacation Ownership, and Starwood Vacation Ownership.

Your Committee finds that with the rise of electronic commerce and social media, many consumers and buyers prefer electronic media to print versions of the same documents. This measure modernizes Hawaii's time share statute and enables buyers to choose whether to receive the time share disclosure statement on paper or in digital form.

Your Committee further finds that this measure also updates and streamlines the biennial renewal requirements for developers. Developers are currently required to submit a title report, which can be voluminous and costly, for all unsold inventory and a current financial statement along with their renewal applications. The information in the title report regarding unsold inventory is already provided in a certified statement by the developer, which the Department of Commerce and Consumer Affairs is able to rely on. Your Committee additionally finds that this measure removes the requirement that a financial statement be submitted with a renewal application, thereby making this portion of the developer renewal process consistent with the Professional and Vocational Licensing Division's other licensing areas.

Your Committee has amended this measure by:

- (1) Amending the required language of the separate writing informing prospective purchasers that they have a seven day right of rescission to more clearly remind purchasers to read the disclosure statement before the seven-day rescission period expires;
- (2) Requiring developers to include the total number of registered time share interests in each unit and the total number of registered points in each property in an application for renewal of a developer registration; and
- (3) Making an amendment to the purpose section for clarity.

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. 2480, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2480, 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. 2495 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 2623**

The purpose and intent of this measure is to void provisions in a franchise agreement with a Hawaii franchise that restricts the pre-dispute forum selection to a jurisdiction outside of Hawaii.

Your Committees received testimony in support of this measure from The Chamber of Commerce of Hawaii, Edible Arrangements Manoa, and two individuals. Your Committees received comments on this measure from the Business Registration Division of the Department of Commerce and Consumer Affairs.

Your Committees find that many current franchise agreements include clauses that require franchisees to travel to the franchisor's venue to resolve franchise-related disputes. Given Hawaii's geographic isolation from other states, the imposition of a mainland forum selection clause is impractical and creates a significant hardship for local franchise owners. A Hawaii-based franchisee is put at a great

disadvantage because of the expense of traveling to the mainland for resolution due to these forum selection clauses, which often dictate whether and how a Hawaii-based franchisee is able to obtain relief.

Your Committees further find that this measure does not mandate that all disputes be heard in Hawaii. Rather, it corrects an injustice to local franchisees by ensuring that Hawaii remains a forum selection option for claims arising under or relating to a franchise or the business dealings of a franchise in the State. This measure provides an opportunity for Hawaii-based franchisees to reduce costs, increase efficiency, and seek relief in a convenient forum.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2623, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2623, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Taniguchi).

Judiciary and Labor

Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 2496 Commerce and Consumer Protection on S.B. No. 2481**

The purpose and intent of this measure is to:

- (1) Eliminate the requirement that a manager of a foreign time share plan register in Hawaii as a time share plan manager;
- (2) Require the disclosure statement for an offering of a time share plan to disclose that the manager of a foreign time share plan is not registered in Hawaii;
- (3) Recognize that an association of time share owners may be any kind of nonprofit or not-for-profit entity; and
- (4) Make housekeeping amendments.

Your Committee received testimony in support of this measure from the American Resort Development Association Hawaii, Wyndham Vacation Ownership, and Starwood Vacation Ownership. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that as the time share industry has grown, the ownership and management of time share developments has diversified. Existing law requires managers of foreign time share plans to register in Hawaii as a time share manager, despite not doing business in Hawaii. Your Committee further finds that this measure eliminates the requirement that a manager of a foreign time share plan register in Hawaii. This measure also addresses consumer protection via a notice in the disclosure statement for time share units located outside the State that a time share plan manager is not registered in Hawaii. However, your Committee finds that, as written, this proposed notice language is overly broad and would exempt out-of-state plan managers from any regulation under Hawaii law. An amendment clarifying this notice language is therefore needed.

Your Committee also finds that when Hawaii's time share law was enacted, nonprofit corporations were the most appropriate corporate structure for time share associations. As the time share industry has evolved, however, new types of business organizational structures have developed that are also appropriate for governance of a time share association. This measure reflects the current practices for the time share industry and recognizes that an association of time share owners may be any kind of nonprofit or not-for-profit entity.

Your Committee has amended this measure by:

- (1) Amending the disclosure statement for time share units located outside the State to clarify that a plan manager is exempt only from registering under Hawaii's time share law; and
- (2) Making an amendment to the purpose section for clarity.

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. 2481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2481, 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. 2497 (Joint/Majority) Energy and Environment and Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on S.B. No. 2199**

The purpose and intent of this measure is to prohibit the issuance of building permits beginning January 1, 2016, for new residential single-family dwellings without wiring for electric vehicle charging systems that provide level two charging or 240 volt alternating current charging.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Americans for Democratic Action/Hawaii; Blue Planet Foundation; Sierra Club of Hawaii; General Motors, LLC; and two individuals. Your Committees received testimony in opposition to this measure from Castle & Cooke Hawai'i, The Chamber of Commerce of Hawaii, Hawaii Association of REALTORS, Building Industry Association of Hawaii, and three individuals.

Your Committees find that the pre-wiring of a new single-family home for an electric vehicle charging system is relatively inexpensive compared to the costs of retrofitting the property. Also, pre-wiring would encourage residents of newly constructed homes to purchase and drive electric vehicles, which will reduce consumption of gasoline and assist in Hawaii's clean energy goals.

Your Committees have amended this measure by:

- (1) Amending language to prohibit the issuance of a building permit for a new single-family dwelling that is part of a master tract or part of a bulk application for five single-family dwellings or more if the building plan for the dwelling does not include dedicated wiring for an electric vehicle charging system;
- (2) Inserting language to allow a county permitting agency to waive the pre-wiring requirement of this measure if:
  - (A) The new single-family dwelling lacks a garage or carport or electrical service to a garage or carport; or
  - (B) The agency determines that there is some other design-related barrier that prevents the building plan from fulfilling the requirements of this measure; and
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Energy and Environment, Economic Development, Government Operations and Housing, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2199, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2199, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Chun Oakland, Ruderman).

Economic Development, Government Operations and Housing  
Ayes, 3; Ayes with Reservations (Dela Cruz, English, Thielen). Noes, 1 (Slom). Excused, 3 (Baker, Chun Oakland, Wakai).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Baker, Green).

**SCRep. 2498 Commerce and Consumer Protection on S.B. No. 2487**

The purpose and intent of this measure is to repeal chapter 201M, Hawaii Revised Statutes, the Small Business Regulatory Flexibility Act.

Your Committee received testimony in opposition to this measure from the Small Business Regulatory Review Board, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, Hawaii Business League, Hawaii Farm Bureau Federation, Hawaii Cattlemen's Council, and two individuals.

Your Committee finds that the Small Business Regulatory Review Board, established pursuant to chapter 201M, Hawaii Revised Statutes, has not been functioning as originally envisioned. Although the Board's role is to look at the impact of rules on small businesses, your Committee is concerned that the Board as a whole may need additional clarification or training on the application of existing laws and administrative rules.

Although your Committee has expressed concerns over the functioning of the Small Business Regulatory Review Board, your Committee also finds that the underlying mission of the Board remains important for small businesses in Hawaii. Your Committee therefore concludes that additional training and clearer understanding of the role of board members should be required to help the Board operate as originally envisioned. Clarifying the contents of the Board's annual report to the Legislature will also enable the Legislature to better monitor the Board's performance.

Additionally, rather than an immediate repeal of the Small Business Regulatory Review Board and chapter 201M, Hawaii Revised Statutes, your Committee finds that a five-year sunset date for the board and chapter 201M, Hawaii Revised Statutes, is more appropriate. This sunset date will enable a future Legislature to review the board's performance after the effective date of this measure.

Finally, your Committee notes that for the Board to operate effectively it must be better supported by the Department of Business, Economic Development, and Tourism.

Your Committee has amended this measure by:

- (1) Specifying that members of the Small Business Regulatory Review Board must receive training by the division of the Department of the Attorney General that oversees the State's boards and commissions, to ensure that the members have a clear understanding of the role of board members and the parameters of the members' role, including the hierarchy of the Hawaii Revised Statutes and the Hawaii Administrative Rules;
- (2) Clarifying the contents of the annual report that the Small Business Regulatory Review Board must submit to the Legislature, including:
  - (A) The impact or effect any rule adopted by a state agency would have on small businesses;

- (B) Any action taken by the Board in response to any requests from small business owners for review of rules adopted by state agencies; and
- (C) The outcome of any action taken by the Board in response to requests from small business owners;
- (3) Updating the purpose section for clarity;
- (4) Inserting a sunset date of June 30, 2019, for the Small Business Regulatory Review Board and chapter 201M, Hawaii Revised Statutes; and
- (5) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2487, 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. 2499 Commerce and Consumer Protection on S.B. No. 2468**

The purpose and intent of this measure is to adopt the national standard of a minimum of twenty-four months in an accredited podiatric residency prior to licensure as a podiatrist, beginning on January 1, 2015.

Your Committee received testimony in support of this measure from the Hawaii Podiatric Medical Association; Maui Medical Group, Inc.; Board of Directors of Maui Medical Group, Inc.; Podiatry Advisory Committee for the Hawaii Medical Board; and twelve individuals. Your Committee received comments on this measure from the Hawaii Medical Board and The Legislative Center.

Your Committee finds that forty-four states mandate residency requirements of either twelve or twenty-four months prior to an applicant obtaining a license to practice podiatric medicine. This measure requires a minimum of twenty-four months in an accredited podiatric residency prior to obtaining a license to practice podiatric medicine in Hawaii.

Your Committee further finds that in the past, podiatry residencies varied from one to three years in length. However, in 2011, the Council on Podiatric Medical Education formally increased the national residency standard for podiatrists to a thirty-six month residency program to provide uniform and consistent training amongst all graduating podiatric surgeons. The twenty-four month residency requirement in this measure will cover podiatrists who completed a shorter podiatry residency prior to the uniform adoption of the thirty-six month residency requirement.

However, your Committee has heard concerns that the residency requirements in this measure may not account for doctors of podiatric medicine who have been in active practice for a number of years but may have only been required to complete twelve months of a podiatric residency at the time of their initial licensure. Amendments to this measure are therefore necessary to clarify requirements for licensure of out-of-state podiatrists who completed less than twenty-four months of podiatric residency and seek to be licensed in Hawaii after the effective date of this measure.

Your Committee has amended this measure by:

- (1) Clarifying that an applicant for a license to practice podiatric medicine in Hawaii who graduated from an approved college before January 1, 2004, shall:
  - (A) Have completed at least twelve months in an accredited podiatric residency;
  - (B) Have at least ten years of active licensed experience in podiatric medicine in another state; and
  - (C) Hold a current, unencumbered license in podiatric medicine in another state; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

Your Committee notes that this amended measure is intended to clarify licensure requirements for out-of-state podiatrists seeking initial licensure in Hawaii. This amended measure will not affect podiatrists currently licensed and practicing podiatric medicine in 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. 2468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2468, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 2500 Judiciary and Labor on S.B. No. 2076**

The purpose and intent of this measure is to clarify that the intent to deprive another of property, under the offense of unlicensed contractor fraud, may be formed before or after a person obtains or exerts control over the property of another.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Department of the Prosecuting Attorney of the City and County of Honolulu, and Contractors License Board.

Your Committee finds that under existing law, the offense of unlicensed contractor fraud requires a person's intent to deprive to exist while engaged in unlicensed contractor activities. However, the law is unclear whether that intent must also exist before that person obtains control over a victim's property. This measure removes this ambiguity by clarifying that the intent to deprive may be

formed before or after a person obtains control over the victim's property, provided that the person is engaged in unlicensed contractor activities at that time. Your Committee further finds that this measure will assist law enforcement efforts to prosecute the offense of unlicensed contractor fraud.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2076 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 2501 Commerce and Consumer Protection on S.B. No. 2302**

The purpose and intent of this measure is to:

- (1) Add definitions and requirements for permanent and temporary consumer fireworks storage facilities; and
- (2) Amend fireworks prohibitions and exceptions to those fireworks prohibitions.

Your Committee received testimony in support of this measure from the Hawaii State Fire Council; Honolulu Fire Department; Kauai Fire Department; and County of Maui, Department of Fire and Public Safety.

Your Committee finds that fireworks can be an extremely dangerous product. Fireworks also present potential dangers during its transport and storage. To ensure the safety of the general public and the first responder community, this measure adds definitions for permanent and temporary consumer fireworks storage facilities based on nationally recognized standards for safety and best industry practices to protect life and property; creates two exceptions to the fireworks prohibitions for movie productions and for those authorized to dispose or test consumer fireworks; and requires permanent and temporary fireworks storage buildings to comply with applicable local codes or nationally recognized standards.

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. 2302 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 2502 Commerce and Consumer Protection on S.B. No. 2287**

The purpose and intent of this measure is to:

- (1) Repeal the requirement that a private college or university show that it maintains profitability as a means of demonstrating financial integrity to the Department of Commerce and Consumer Affairs at the time of its application for authorization; and
- (2) Repeal section 304A-3153, Hawaii Revised Statutes, relating to procedures for complaints to the University of Hawaii concerning institutions of higher learning in the State.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs Hawaii Post-Secondary Education Authorization Program and University of Hawai'i System. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that Act 180, Session Laws of Hawaii 2013, identified the Department of Commerce and Consumer Affairs as the state entity that would perform the regulatory functions of authorizing post-secondary institutions and handling complaints against such institutions. This measure adds greater clarity to what is required of private colleges and universities with regard to demonstrating financial integrity when applying for authorization and minimizes redundancy in the 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. 2287 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2503 Commerce and Consumer Protection on S.B. No. 2801**

The purpose and intent of this measure is to condition the acceptance of a variance from the mandatory solar water heating requirement for single-family dwellings for a demand water heater device upon approval of the demand water heater by a North American certification organization, including the Canadian Standards Association International; Air-Conditioning, Heating, and Refrigeration Institute; or Gas Appliance Manufacturers Association Certification Program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaii Solar Energy Association.

Your Committee finds that an existing exemption from the mandatory solar water heating requirement for single-family dwellings allows for a gas tankless water heater, which must be approved by Underwriter Laboratories, Inc. However, Underwriter Laboratories, Inc. does not list specific product or model numbers of all tankless products. This measure replaces a reference to Underwriter Laboratories, Inc., with references to North American certification organizations that test, evaluate, and certify gas tankless water heaters and lists specific products and models that are certified, thereby enabling consumers to make a more informed choice regarding their selections of gas tankless water heaters.

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. 2801 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).



**SCRep. 2504 Commerce and Consumer Protection on S.B. No. 2301**

The purpose and intent of this measure is to:

- (1) Require shippers to notify the fire chief as to where fireworks shipments imported into the State or between counties are to be distributed;
- (2) Define the term “redistribution” to clarify shipment notification requirements; and
- (3) Clarify that labels on certain fireworks shall be at least nine square inches.

Your Committee received testimony in support of this measure from the Hawaii State Fire Council; Honolulu Fire Department; Kauai Fire Department; and County of Maui, Department of Fire and Public Safety.

Your Committee finds that transporting fireworks to, from, and within the State requires the use of multiple methods of interstate and intrastate transportation. To ensure the health and safety of the community and the State’s first responders, the importation of fireworks shipments must be thoroughly accounted for and reported. However, under the existing law, there are no notification requirements for those transporting fireworks. This measure is therefore necessary to clarify shippers’ responsibilities and notification 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. 2301 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 2505 Commerce and Consumer Protection on S.B. No. 2492**

The purpose and intent of this measure is to improve patient access to medical care by clarifying the circumstances under which advanced practice registered nurses may practice their profession to the fullest extent of their training and education.

Your Committee received testimony in support of this measure from the Board of Nursing, Disability and Communication Access Board, Pali Momi Medical Center, Hawai‘i Pacific Health, American Association of Nurse Practitioners, and eight individuals.

Your Committee finds that advanced practice registered nurses provide a wide variety of health care services and are recognized as participating primary health care providers for insurance purposes under the State’s Insurance Code. However, certain sections within the Hawaii Revised Statutes omit advanced practice registered nurses from the definitions or designations of health care entities who may provide health care, prescribe drugs, or sign forms. These obsolete or outdated statutes create barriers to consumer access to high quality health care provided by advanced practice registered nurses. Your Committee further finds that this measure amends these obsolete or outdated statutes, thereby enabling advanced practice registered nurses to provide quality health care to patients to the full extent of their education and training.

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. 2492, 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 (Wakai).

**SCRep. 2506 Commerce and Consumer Protection on S.B. No. 2078**

The purpose and intent of this measure is to clarify that condominium property regimes located on agricultural lands shall not place any restrictions on agricultural uses or activities permitted on those lands pursuant to chapter 205, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Real Estate Commission, and Hawaii Association of REALTORS.

Your Committee finds that the Department of Agriculture has received complaints from occupants of condominium property regimes whose agricultural uses and activities are being restricted by private agreements contained in the condominium declaration, maps, bylaws, or other documents. For example, some regimes are restricting the types of crops planted by its occupants, or the days and times when farming equipment may be used by its occupants.

Your Committee further finds that this measure enables an owner to farm on the owner’s property, if located on agricultural lands, by clarifying that all agricultural uses and activities permitted by law shall be permitted on agricultural lands occupied by a condominium property regime. This measure also enables a potential purchaser to be better informed by requiring a condominium developer to disclose in the developer’s public report that there are no restrictions or prohibitions disallowing agricultural uses and activities permitted by 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. 2078, 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 (Wakai).

**SCRep. 2507 Judiciary and Labor on S.B. No. 2482**

The purpose and intent of this measure is to clarify the parties that a homeowners association can serve through publication, after a hearing before a judge, in a nonjudicial foreclosure proceeding.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that under section 667-92, Hawaii Revised Statutes, an association is required to serve its notice of default and intention to nonjudicially foreclose on certain parties. If an association cannot find the unit owner, it may go to court to ask for permission to serve the owner by publication. However, section 667-92, Hawaii Revised Statutes, has been interpreted in some cases to not specifically allow an association to serve any other potential defendants, such as defunct lenders or long lost judgment holders, by publication if these entities or individuals cannot be found. Those in actions prevent the association's nonjudicial foreclosure from going forward, and the financial and time saving benefits of the nonjudicial foreclosure process are lost. This measure addresses that concern by allowing a judge to approve service of certain other missing defendants by publication so an association's nonjudicial foreclosure can continue. In doing so, this measure also supports the intent of chapter 667, part VI, Hawaii Revised Statutes, which is to provide associations with a means to foreclose nonjudicially without having to resort to the expensive and time-consuming judicial foreclosure process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2482 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Sлом).

**SCRep. 2508 Ways and Means on S.B. No. 2455**

The purpose and intent of this measure is to support local agriculture by appropriating moneys for the 4-H program to help educate young people and encourage them to pursue careers in agriculture.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation.

Your Committee finds that it is important to provide young people with opportunities to gain experience, skills, and ambition to pursue careers in agriculture and that the 4-H program furthers these goals.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2455, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2455, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2509 Commerce and Consumer Protection on S.B. No. 2489**

The purpose and intent of this measure is to:

- (1) Amend the composition of the Hawaii State Center for Nursing Advisory Board (Advisory Board) by decreasing the number of voting members on the Advisory Board to nine;
- (2) Amend the membership of the Advisory Board to better facilitate the Hawaii State Center for Nursing's mission;
- (3) Clarify term limits and appointments of members to the Advisory Board; and
- (4) Amend certain powers and duties of the Advisory Board.

Your Committee received testimony in support of this measure from the American Association of Nurse Practitioners and one individual. Your Committee received comments on this measure from the Board of Nursing and Healthcare Association of Hawaii.

Your Committee finds that as the nursing profession transforms to meet a changing health care landscape, the ongoing process of developing a strategic plan requires the Hawaii State Center for Nursing to have an active, engaged Advisory Board with members capable of addressing workforce issues in a timely manner.

Your Committee further finds that this measure amends the composition of the Advisory Board to align itself more closely with other national nursing workforce centers and encourages collaboration of persons with the technical expertise, knowledge, and experience needed to assist the Hawaii State Center for Nursing with its mission.

Your Committee notes that the Board of Nursing indicated in testimony that, due to the Board of Nursing's collaborative working relationship with the Hawaii State Center for Nursing, it is not necessary for the Board of Nursing to have a position on the Advisory Committee. In addition, other testimony received by your Committee indicated that individuals with expertise in workforce issues or who represent acute care providers in the health care community would be helpful assets to the Advisory Board.

Accordingly, your Committee has amended this measure by:

- (1) Removing the representative from the Board of Nursing as a voting member of the Advisory Board;
- (2) Increasing the number of non-nurse voting members of the advisory board from three to four and specifying that these members' background or experience may also include workforce or representation of hospitals and acute care hospitals in the State; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2489, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2489, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2510 Commerce and Consumer Protection on S.B. No. 2469**

The purpose and intent of this measure is to:

- (1) Require reimbursement for services provided through telehealth to be equivalent to reimbursement for the same services provided via face-to-face contact between a health care provider and a patient;
- (2) Clarify that a health care provider of telehealth includes primary care providers, mental health providers, and oral health providers, such as physicians and osteopathic physicians, advanced practice registered nurses, psychologists, and dentists; and
- (3) Amend references to “telemedicine” in the Hawaii Revised Statutes to “telehealth” for consistency.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Hawaii Medical Service Association, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaii Association of Health Plans, and six individuals. Your Committee received comments on this measure from the Department of Human Services and Hawaii Medical Board.

Your Committee finds that the effective use of telehealth is vitally important in Hawaii, where many segments of the population, especially on the neighbor islands, face geographical challenges to accessing quality health care. Your Committee further finds that this measure will assist in the delivery of enhanced statewide health care services, increase access to services, and provide timely information to patients and health care providers.

Your Committee has amended this measure by:

- (1) Making a nonsubstantive clarifying amendment regarding the provider-patient relationship for telehealth reimbursement purposes;
- (2) Changing its effective date to upon approval; and
- (3) Making other technical, nonsubstantive 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. 2469, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2469, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 2511 Commerce and Consumer Protection on S.B. No. 2898**

The purpose and intent of this measure is to amend or delete statutes containing federal commercial driver’s licensing requirements that are addressed in Hawaii Administrative Rules.

Your Committee received testimony in support of this measure from the City and County of Honolulu Department of Customer Services.

Your Committee finds that serious financial penalties can be incurred when a state does not comply with certain federal motor carrier safety regulations. This measure adopts regulations by reference to Hawaii Administrative Rules, thereby ensuring exact compliance with relevant federal regulations.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2898, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2512 Commerce and Consumer Protection on S.B. No. 2331**

The purpose and intent of this measure is to:

- (1) Define the term “license” to clarify that teacher licenses are issued by the Hawaii Teacher Standards Board;
- (2) Clarify the authority of employers or prospective employers to refuse to issue a certificate for school administrators or revoke a certificate for school administrators under certain circumstances;
- (3) Makes clarifying amendments to the membership requirements for the Hawaii Teacher Standards Board;
- (4) Clarify that charter schools fall under the purview of the requirements of the Hawaii Teacher Standards Board; and
- (5) Make housekeeping and conforming amendments related to the Hawaii Teacher Standards Board.

Your Committee received testimony in support of this measure from the Hawaii Teacher Standards Board and State Public Charter School Commission. Your Committee received testimony in opposition to this measure from the Hawaii State Teachers Association.

Your Committee finds that this measure clarifies the membership of the Hawaii Teacher Standards Board to make it clear that all interested constituent groups may submit nominations for the Governor's consideration. This will help ensure representation from diverse groups in Hawaii's educational system, diverse populations, and various geographic areas. This measure also reinforces the authority of the Hawaii Teacher Standards Board to require all public school teachers in the State to hold a current, valid, teaching license and monitor the emergency hire process when licensed teachers are not available.

Your Committee further finds that, within the charter school sector, employer powers and duties of the individual charter schools are separate from the oversight powers and duties of the State Public Charter School Commission. However, this measure does not differentiate between these functions. Amendments to this measure are therefore necessary to clarify certain powers and duties of the Department of Education, State Public Charter School Commission, and individual charter schools.

Your Committee has amended this measure by:

- (1) Inserting a definition of "department school";
- (2) Specifying that one teacher member on the Hawaii Teacher Standards Board shall be engaged in teaching at a Hawaii public charter school at the time of appointment;
- (3) Clarifying the respective employer powers and duties of the Department of Education and the individual charter schools, the oversight powers and duties of the Department and the Commission, and the duty of the Department, Commission, and individual charter schools to provide certain information to the Hawaii Teacher Standards Board;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2331, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2331, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2513      Judiciary and Labor on S.B. No. 2882**

The purpose and intent of this measure is to update the Uniform Controlled Substances Act under chapter 329, Hawaii Revised Statutes, to make it consistent with amendments to federal law on controlled substances, as required under state law.

Your Committee received testimony in support of this measure from the Department of Public Safety, Police Department of the City and County of Honolulu, and one individual.

Your Committee finds that this measure amends the Uniform Controlled Substances Act to reflect changes in federal law and to make our state statutes consistent with federal law. The Department of Public Safety testified that there is a growing problem of synthetic hallucinogenic substances being developed for sale to the public as herbal incense, bath salts, plant food, or legal highs in the State and around the country. These synthetic hallucinogenic substances are labeled as "not for human consumption", but are readily available for sale in retail shops. As a result, the Department's Narcotics Enforcement Division and the federal Drug Enforcement Administration are seeking to protect the public by making these synthetic hallucinogenic substances illegal to sell or possess and classifying them as Schedule I controlled substances.

Your Committee has amended this measure by adopting the language suggested by the Department of Public Safety to add four substances to the Schedule I controlled substances list under section 329-14(g), Hawaii Revised Statutes, that were emergency scheduled by the federal government on February 10, 2014.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2882, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2882, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Galuteria).

**SCRep. 2514      Judiciary and Labor on S.B. No. 2869**

The purpose and intent of this measure is to protect the confidentiality of developmental disability and mental health information while allowing reasonable use and disclosure as provided by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, and one individual.

Your Committee finds that allowing the reasonable use and disclosure of health records may benefit individuals, while ensuring the safety of the general public, by sharing information for purposes of treatment, payment, or health care operations. This measure allows health care providers that hold developmental disability and mental health records to share and access health care information using the HIPAA privacy rule, rather than the stricter and lesser known state laws.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2869, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2869, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Galuteria).

**SCRep. 2515      Judiciary and Labor on S.B. No. 2021**

The purpose and intent of this measure is to provide a greater deterrent to committing the offense of resisting arrest by:

- (1) Establishing the offense of resisting arrest in the first degree as a class C felony if a person intentionally prevents a law enforcement officer acting under the color of the law enforcement officer's official authority from effecting an arrest by removing or attempting to remove a firearm from the person of a law enforcement officer; and
- (2) Amending the existing resisting arrest offense to resisting arrest in the second degree.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Rifle Association, and one individual. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that law enforcement officers face inherent dangers during arrest situations. For example, when an offender attempts to or succeeds in removing a law enforcement officer's firearm, the public and law enforcement officer are at great risk for serious injury or death. However, existing laws do not adequately address these dangerous situations. This measure addresses law enforcement officer safety and provides a long-term deterrent by establishing the offense of resisting arrest in the first degree and amending the existing resisting arrest misdemeanor offense to resisting arrest in the second degree.

Your Committee notes the concerns raised by the Office of the Public Defender that creating a higher penalty for resisting arrest could be subject to abuse by the arresting law enforcement officer. For example, the proposed offense of resisting arrest in the first degree could be asserted by a police officer to cover up an incidence of police brutality. However, your Committee believes that the court is the appropriate venue and the jury is the appropriate body to determine whether the offense was committed by the defendant, with the prosecuting attorney having the burden of proof.

Your Committee further notes that the Office of the Public Defender asserts that this measure is unnecessary while the Department of the Prosecuting Attorney of the City and County of Honolulu asserts that this measure is necessary to protect law enforcement officers in the line of duty. As a result, your Committee requested both entities to submit compelling data to assist in determining the necessity of this measure.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2021, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2021, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6; Ayes with Reservations (Solomon, Slom). Noes, none. Excused, 1 (Gabbard).

**SCRep. 2516      Judiciary and Labor on S.B. No. 2260**

The purpose and intent of this measure is to assist the Department of Labor and Industrial Relations in the enforcement of the prevailing wage law under chapter 104, Hawaii Revised Statutes, by:

- (1) Increasing the suspension period from three to five years for a third violation of a person or firm who violates the state law relating to wages and hours of employees on public works;
- (2) Clarifying that the effective date of suspension is on the later of the twenty-first day after the sending of the notification or violation or the issuance of a decision of an appeal;
- (3) Specifying that suspension for falsification of records or delay or interference with an investigation is immediate for a period of five years; and
- (4) Adding a governmental contracting agency and the general contractor, in the case of a suspended subcontractor, as entities that the Director of Labor and Industrial Relations is required to notify of any suspension order.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Department of Accounting and General Services; Plumbers and Fitters UA, Local 675; The Pacific Resource Partnership; and one individual. Testimony in opposition to this measure was submitted by the General Contractors Association of Hawaii.

Your Committee finds that under chapter 104, Hawaii Revised Statutes, the suspension period for a third violation of prevailing wage law, falsification of records, or delay or interference with an investigation is three years. Due to the length of time needed for an investigation and the due process procedures available for a contractor, the Department of Labor and Industrial Relations testified that a contractor could delay these proceedings to the point that a three year suspension period is of little consequence. This measure assists the Department of Labor and Industrial Relations in enforcing the prevailing wage law and encourages contractors to comply with the law by ensuring that a contractor who deliberately violates the law will serve a suspension period that acts as more of a deterrent.

Your Committee notes the concerns raised by the General Contractors Association of Hawaii that the real problem is the lengthy process for conducting and completing an investigation and adjudication of a properly filed appeal, which an increase in the suspension period from three to five years does not appropriately address. The General Contractors Association of Hawaii suggested the Department of Labor and Industrial Relations needs additional labor law enforcement specialists to speed up investigations. Your Committee further notes that S.B. No. 3039, S.D. 1 (2014) creates additional labor enforcement specialist IV positions within the Department of Labor and Industrial Relations to enforce Hawaii's wage and hour law and appropriates a specified amount for these positions. Your Committee believes that this measure and S.B. No. 3039, as amended, should be considered together to assist the Department in enforcing the prevailing wage law as these two measures move through the legislative process.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the General Contractors Association of Hawaii to clarify that the first, second, or third violation refers to each investigation involving one or more projects, rather than each project, in which a contractor has failed to comply; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2260, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2260, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 2517 Judiciary and Labor on S.B. No. 2250**

The purpose and intent of this measure is to:

- (1) Require certain disclosures on collections boxes used for donations of salvageable personal property by for-profit and nonprofit organizations;
- (2) Clarify the registration requirements for Hawaii domiciled charitable organizations and by nonprofits covered by the Internal Revenue Service Group Exemption Ruling;
- (3) Authorize the Attorney General to require electronic financial reporting by professional solicitors;
- (4) Impose a fee for late financial reports by professional solicitors;
- (5) Amend the time within which commercial co-venturers are required to provide a final accounting to a charitable organization; and
- (6) Make other technical and housekeeping amendments to chapter 467B, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of the Attorney General. Your Committee received comments on this measure from the Hawaiian Humane Society and Hawaii Alliance of Nonprofit Organizations.

Your Committee finds that this measure provides greater protections for consumers and donors by establishing new disclosure requirements at collection bins operated by for-profit and nonprofit organizations. This measure also facilitates the Attorney General's transition to electronic registration systems and provides greater clarity to registered charitable organizations, commercial co-venturers, and professional solicitors.

Your Committee notes the testimony submitted by the Department of the Attorney General that suggests further clarification is necessary regarding the required collection box disclosures in this measure, especially with respect to collections boxes by professional solicitors. The Department also testified that the collection box disclosure requirements were intended to apply to three different types of organizations that may own and operate collection boxes, including charities that are granted tax exempt status under Section 501(3)(c) of the Internal Revenue Code, professional solicitors that are for-profit entities paid to solicit donations for a charity, and for-profit organizations that collect and sell used personal property for non-charitable purposes. The Department also testified that the fee for a late financial report by a professional solicitor should be amended to provide an initial fine and an additional fine for each day the violation continues.

Your Committee also notes the concerns raised by the Hawaiian Humane Society and Hawaii Alliance of Nonprofit Organizations regarding the impracticality of the thirty-day timeframe within which a commercial co-venturer must provide a final accounting to a charitable organization after the end of the charitable sales promotion. The Hawaii Alliance of Nonprofit Organizations also commented that nonprofits, businesses, and the public are in need of additional education and awareness regarding commercial co-venturer laws. Your Committee appreciates the cooperation from the Department of the Attorney General in agreeing to extend the timeframe to submit a final accounting from thirty days to ninety days as well as organize and provide education and awareness opportunities regarding the laws relating to commercial co-venturers.

Your Committee has amended this measure by adopting the language suggested by the Department of the Attorney General and Hawaiian Humane Society to:

- (1) Amend the collection box disclosure requirements by:
  - (A) Specifying disclosure requirements for collection boxes owned and operated by charitable organizations exempt from income tax under Section 501(3)(c) of the Internal Revenue Code, professional solicitors, and for-profit organizations that are not professional solicitors or organizations that are not charitable organization exempt from income tax;
  - (B) Deleting language that specifies that professional solicitors shall be classified as for-profit organizations, for purposes of clarity and consistency; and

- (C) Adding language that requires every charitable organization or professional solicitor owning or operating a collection box to register with the Department of the Attorney General;
- (2) Impose fees for a late financial report by a professional solicitor, including an initial fine of \$100 and an additional fine of \$20 for each day the violation continues;
  - (3) Extend the timeframe for a commercial co-venturer to submit a final accounting to a charitable organization from thirty days to ninety days after the end of the charitable sales promotion; and
  - (4) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2250, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2250, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Gabbard).

**SCRep. 2518 Commerce and Consumer Protection on S.B. No. 2657**

The purpose and intent of this measure is to require:

- (1) A contractor that installs a solar energy device on a roof that is a common element or limited common element to notify the private entity that installation might void the roofing warranties or guarantees and obtain written approval from the roofing manufacturer and follow written instructions for waterproofing roof penetrations from the roofing manufacturer, unless the private entity forgoes the roofing warranty or guarantee;
- (2) A roofing contractor that waterproofs roof penetrations related to the installation of a solar energy device to honor the roof warranty or guarantee; and
- (3) The solar energy device contractor's standard labor and workmanship warranty to apply to roof penetrations if the contractor waterproofs the penetrations.

Your Committee received testimony in support of this measure from the Community Association Institute, Hawaii Chapter; Roofing Contractors Association of Hawaii; Hawaii Solar Energy Association; Apollo Kauai; and one individual. Your Committee received testimony in opposition to this measure from the Hawaiiana Management Company, Ltd.

Your Committee finds that under existing statute, a homeowner who wants to install a solar system on the homeowner's roof must obtain confirmation in writing from the company that issued the warranty for the roof that the installation of the solar energy device will not void the roof warranty. This requirement can be a roadblock for homeowners whose properties fall under the control of a homeowner's association, since most roofing contractors are not willing to warranty the work of another contractor. This also creates a frustrating position for the homeowner, who is unable to obtain confirmation from the roofing contractor and is therefore unable to install a solar energy device.

Your Committee further finds that this measure creates a compromise by which a solar energy device contractor may warranty the contractor's own work, with certain notice and approval requirements. However, your Committee has heard the concerns that certain language in this measure that applies a standard labor and workmanship warranty to roof penetrations may have unintended consequences for existing roof warranties. An amendment to this measure is therefore necessary to clarify responsibility for a leaky roof caused by penetrations when a roofing warranty has lapsed at the time a solar energy device is installed.

Accordingly, your Committee has amended this measure to clarify that, for purposes of penetrations for the installation of a solar energy device, if either the roofing contractor's guaranty or the roofing manufacturer's warranty is no longer in effect, then the contractor who installs the solar energy device and waterproofs the penetrations shall apply the contractor's or lessor's standard labor and workmanship warranty.

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. 2657, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2657, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2519 (Joint) Hawaiian Affairs and Judiciary and Labor on S.B. No. 2839**

The purpose and intent of this measure is to repeal the directive to amend the Hawaiian Homes Commission Act, 1920, as amended (Hawaiian Homes Commission Act), to accomplish the purposes of Act 195, Session Laws of Hawaii 2011 (Act 195).

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Office of Hawaiian Affairs, and Association of Hawaiian Civic Clubs.

Your Committees find that Act 195 created a Native Hawaiian Roll Commission to prepare and maintain a roll of qualified Native Hawaiians in anticipation of the development of a reorganized Native Hawaiian entity and ultimately, federal recognition of Native Hawaiians. Section 3 of Act 195 requires that the Hawaiian Homes Commission Act be amended, subject to the approval by Congress, if necessary, to accomplish the purposes of Act 195. Some beneficiaries of the Department of Hawaiian Home Lands find this directive suspicious because it does not clarify what amendments to the Hawaiian Homes Commission Act are required. Your Committees conclude that this directive is confusing and altogether unnecessary and should be removed from Act 195.

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 Hawaiian Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2839, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2839, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

Judiciary and Labor

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 2520 (Joint) Public Safety, Intergovernmental and Military Affairs and Energy and Environment on S.B. No. 2749**

The purpose and intent of this measure is to allow the use of individual wastewater systems as an on-site means of wastewater disposal in lieu of county operated wastewater treatment works, regardless of proximity to a county wastewater treatment system.

Your Committees received testimony in support of this measure from the General Contractors Association of Hawaii, Pūlama Lāna‘i, Pae ‘Āina Communications, Hana Ranch; and three individuals. Your Committees received testimony in opposition to this measure from the Department of Health, Department of Environmental Services of the City and County of Honolulu, County of Hawaii Department of Environmental Management, County of Maui Department of Environmental Management, and three individuals.

Your Committees find that wastewater treatment systems are not always environmentally, geographically, or economically feasible for all communities or households. Furthermore, there are communities that are confronted with a water shortage issue. This measure will enable these communities and households to conserve water, improve water quality, enrich soil, and provide an appropriate alternative to county wastewater treatment systems.

Your Committees have amended this measure by:

- (1) Requiring counties to authorize the installation and use of composting toilets in areas that are inaccessible to municipal wastewater systems, rather than authorize the use of individual wastewater treatment systems in lieu of wastewater treatment works; and
- (2) Defining “composting toilet” as a toilet that uses no water or very little water and uses natural processes to treat waste.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military 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. 2749, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2749, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Ruderman).

**SCRep. 2521 Commerce and Consumer Protection on S.B. No. 3127**

The purpose and intent of this measure is to:

- (1) Establish provisions for condominium association annual meetings and quorum requirements; and
- (2) Provide that condominium associations may call for the review and discharge of a managing agent hired by the association upon a majority vote by the association members present.

Your Committee received testimony in support of this measure from Hawaii First; Community Associations Institute, Hawaii Legislative Action Committee; and two individuals. Your Committee received testimony in opposition to this measure from American Resort Development Association-Hawaii and Starwood Vacation Ownership. Your Committee received comments on this measure from the Hawai‘i State Association of Parliamentarians.

Your Committee finds that the two most important issues typically addressed at the annual meeting of a condominium association are the election of directors and adoption of a mandatory tax resolution. However, many condominium associations have been unable to conduct these annual ownership meetings because of quorum requirements. If an association is unable to obtain a quorum, a condominium board may wait another year before scheduling the next meeting. During that time, an association may not be able to approve its tax resolution, which could lead to a future tax liability of the association, and directors whose terms have expired may serve an additional rollover term on the board without standing for reelection. This measure provides a mechanism to ensure that the annual meeting of a condominium association will occur each year.

Your Committee further finds that this measure permits a condominium association to call for the review and discharge of a managing agent hired by the association upon a majority vote by the association members present. However, your Committee finds that association boards are mandated to administer an association’s property and manage those who are hired to handle the day-to-day



functions of the association. Accordingly, it is more appropriate for the board of an association, rather than the association itself, to be given the responsibility for the hiring and discharging of a managing agent. Amendments to this measure are therefore necessary.

Your Committee has heard the concerns that time share projects that are owned and operated by major hospitality brands have an affiliate of the brand owner who serves as a managing agent of the condominium. If the managing agent is discharged, then a time share project will no longer be branded as a major hospitality brand resort, which could result in all of the owners of a time share project losing their rights to participate in the vacation club associated with the hospitality brand. Amendments addressing these concerns are therefore necessary.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that if an association is unable to obtain a quorum at the association's first annual meeting, the association shall continue the meeting at least once for no more than ninety days;
- (2) Deleting language that would have amended the powers of an association to include the review and discharge of a managing agent hired by the association, upon a majority vote by the association members present;
- (3) Specifying that the board of an association managed by a managing agent shall have the authority to employ and terminate a managing agent, subject to a vote of a majority of the unit owners at an association meeting;
- (4) Specifying that a project in which a majority of the units have been submitted to one or more vacation plans, or in which one or more units have been submitted to a vacation plan established by the developer of the project or by an affiliate of the developers, shall be exempt from the provisions of this measure relating to the employment and termination of a managing agent; and
- (5) Inserting definitions for "majority of the units" and "vacation plan".

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. 3127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3127, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 2522 Technology and the Arts on S.B. No. 3107**

The purpose and intent of this measure is to establish and designate the ukulele as the official instrument of the State.

Your Committee received testimony in support of this measure from the Center for Hawaiian Sovereignty Studies and one individual.

Your Committee finds that throughout the history of Hawaii, music has played an integral part in the lives of its people. The ukulele was popularized by Hawaiian royalty, plantation workers, and musicians. The popularity of ukulele music continues to grow throughout Hawaii, the mainland, and beyond. This measure recognizes the ukulele and its history in Hawaii.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2020, to encourage further discussion; and
- (2) 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 Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3107, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Tokuda).

**SCRep. 2523 (Joint) Public Safety, Intergovernmental and Military Affairs and Tourism on S.B. No. 3074**

The purpose and intent of this measure is to eliminate the requirement that a hotel have a kitchen and dining room, where meals are regularly prepared and served to hotel guests and other customers, to qualify for a hotel class liquor license.

Your Committees received testimony in support of this measure from the Liquor Commission of the City and County of Honolulu.

Your Committees find that there is a trend in modern hotel practice for certain properties to forego maintaining a hotel kitchen and dining room unless needed by an established banquet business. Instead, these properties rely on separately licensed restaurants to provide meal service for hotel guests. This measure will conform legal requirements to modern business practice and hospitality trends.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental 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. 3074 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Tourism  
Ayes, 4. Noes, none. Excused, 1 (Ige).

**SCRep. 2524 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.B. No. 3046**

The purpose and intent of this measure is to designate the last Sunday in September as “Gold Star Family Day” to honor family members of the men and women who gave their lives to their country while serving with the United States Armed Forces in time of war or during a period of hostilities.

Your Committees received testimony in support of this measure from the State Office of Veterans Services; The Chamber of Commerce of Hawaii; Hawaii Catholic Conference; Hawaii Family Forum; National Association for Uniformed Services, Hawaii Chapter; and three individuals.

Your Committees find that on June 23, 1936, a joint Congressional resolution designated the last Sunday in September as “Gold Star Mother’s Day” to honor the mothers of men and women who gave their lives for their country while serving in the United States Armed Forces. In September 2009, President Barack Obama renamed the day as “Gold Star Mother’s and Family Day”, including family members as part of the honorees. Seven states have already enacted legislation to recognize this day. This measure honors the families of those United States Armed Forces members who have bravely sacrificed their lives for their country.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3046 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Tokuda).

**SCRep. 2525 Judiciary and Labor on S.B. No. 2080**

The purpose and intent of this measure is to clarify the scope of the Uniform Mediation Act.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that the Uniform Mediation Act under chapter 658H, Hawaii Revised Statutes, does not apply to a mediation conducted by a judge who might make a ruling on a case. The Judiciary testified that in reviewing the impact of the Uniform Mediation Act on existing court rules and procedures, it found instances where a judge may be assigned to a particular case but who will not issue a ruling in the case. For example, in circuit court, a presiding judge may enlist another judge to conduct a settlement conference in the pending court case. While these types of settlement conferences are usually not considered mediation, the Judiciary expressed concern that the broad language of the Uniform Mediation Act may include these types of settlement conferences as mediation. This measure clarifies the scope of the Uniform Mediation Act by excluding mediation conducted by a judge on a case.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2080 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 (Galuteria, Solomon).

**SCRep. 2526 Education on Gov. Msg. Nos. 506 and 507**

Recommending that the Senate advise and consent to the nominations of the following:

**BOARD OF EDUCATION**

G.M. No. 506 GRANT CHUN, for a term to expire 6-30-2014; and

G.M. No. 507 GRANT CHUN, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Grant Chun to possess the requisite qualifications to be nominated to the Board of Education.

Your Committee received testimony in support of the nomination of Grant Chun from the Office of the Lieutenant Governor; Board of Education; Hui for Excellence in Education; Maui Economic Development Board, Inc.; and thirty-nine individuals.

Your Committee finds that Grant Chun received his Bachelor’s degree in political science and public relations from the University of Southern California. He went on to receive his Juris Doctorate from the University of California Hastings College of the Law.

Mr. Chun worked as an attorney in private practice for many years prior to serving as the Managing Director of the County of Maui from January 1999 to December 2002. He currently serves as the Vice President of A&B Properties, Inc.

Mr. Chun is actively involved in his community, volunteering his time on numerous boards of various organizations. He also served on the Maui Regional Board of the Hawaii Health Systems Corporation and serves on the Maui Economic Development Board.

Mr. Chun testified that he believes the Board of Education must focus on: inspiring change and evolution in education and providing excellent learning environments for students; ensuring that budgets, resources, and facilities are provided to assist educators in effectively educating students; and making sure that benchmarks set for schools and students are achievable, realistic, and meaningful.

Mr. Chun further testified that he is most interested in serving on the Board of Education's Finance and Infrastructure Standing Committee and Audit Standing Committee. His professional background provides him with a unique perspective on these particular areas and issues.

Mr. Chun also testified that he believes that community engagement in the formation of educational policy is essential, especially on the neighbor islands. Mr. Chun testified that his relationships and one-on-one conversations with members of the community are extremely important. He will continue to build relationships with the community, engage them in educational issues, and give people confidence that he will represent Maui well on the Board of Education.

Mr. Chun's professional background and dedication to his community give him the skills and insight necessary to be an effective member of the Board of Education.

As affirmed by the records of votes of the members of your Committee on Education 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 nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ruderman, Slom).

**SCRep. 2527 Health on Gov. Msg. No. 560**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF PUBLIC WATER SYSTEM OPERATORS

G.M. No. 560 ERIC OKAZAKI, for a term to expire 6-30-2017

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Eric Okazaki to possess the requisite qualifications to be nominated to the Board of Certification of Public Water System Operators.

Your Committee received testimony in support of the nomination of Mr. Okazaki from the Department of Health.

Mr. Okazaki received a Bachelor of Science degree in Agriculture Science from the University of Hawaii at Manoa. He also attended Electronics School at Sheppard Air Force Base.

Mr. Okazaki currently serves as Vice President of Operations at the Pural Water Specialty Company, Inc., where he has over fifteen years of experience in the management of operations of private water systems. Prior to his current position, Mr. Okazaki served as the Water System Manager for ten years at the Department of Water Supply, County of Maui, where he was responsible for managing all potable water from wells and surface water sources.

In addition to his thirty-two years of experience in the water industry, Mr. Okazaki is certified as a Distribution System Operator and Water Treatment Plant Operator, both at the highest grade level. Mr. Okazaki is dedicated to his profession and the certification of drinking water system operators. Your Committee finds that Mr. Okazaki would be a significant asset to the Board of Certification of Public Water System Operators based on his knowledge, professional experience, and commitment to public service.

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, none.

**SCRep. 2528 Health on Gov. Msg. Nos. 562 and 563**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 562 SANDRA SIMMS, for a term to expire 6-30-2018; and

G.M. No. 563 BENJAMIN PARK, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Sandra Simms and Benjamin Park to possess the requisite qualifications to be nominated to the State Council on Mental Health.

SANDRA SIMMS

Your Committee received testimony in support of the nomination of Ms. Simms from the Department of Health and two individuals.

Your Committee notes that Ms. Simms received a Juris Doctor degree from DePaul University and a Bachelor of Arts degree in Sociology and Political Science from the University of Illinois.

Ms. Simms is a retired judge with many years of experience in the legal system. She was appointed to the District Court of the First District of Hawaii in 1991, becoming the first African American female judge in the State. In 1994, Ms. Simms was appointed to the position of Circuit Court Judge for the First Judicial Circuit of Hawaii. As a trial judge, she presided over matters involving domestic violence, restraining orders, civil proceedings, and felony jury trials.

Most recently, Ms. Simms was named Adjunct Lecturer in Criminal Justice Studies at Chaminade University. Additionally, Ms. Simms is a member of the distinguished panel of neutrals for Dispute Prevention Resolution, a private alternative dispute resolution

firm in Honolulu. She also serves on the Hawaii State Board of Bar Examiners. Ms. Simms has given numerous presentations to assist community organizations, schools, and forums obtain a better understanding about the judicial system.

Your Committee notes that Ms. Simms has demonstrated significant dedication to public service, as evidenced by her exemplary service as the Second Vice-Chair of the State Council on Mental Health. Ms. Simms brings a wealth of knowledge and experience in the areas of mental health, substance abuse, and the legal system to the State Council on Mental Health. Your Committee finds that Ms. Simms is highly qualified for reappointment to the State Council on Mental Health based on her knowledge, professional experience, and commitment to public service.

#### BENJAMIN PARK

Your Committee received testimony in support of the nomination of Mr. Park from the Department of Health and two individuals.

Your Committee notes that Mr. Park received a Bachelor of Arts degree in U.S. History from the University of Hawaii at Manoa.

Mr. Park currently serves as a Planner in the Planning and Evaluation Office of the Hawaii Public Housing Authority. In this position, Mr. Park maintains regular communications with legislators, including writing and submitting testimony for bills on behalf of the Executive Director of the Hawaii Public Housing Authority. Mr. Park also works with the Board of Directors of the Hawaii Public Housing Authority and other agencies to coordinate community events and meetings.

Mr. Park's past professional experience includes working for the House of Representatives, where he served as the Administrative Services Manager to Majority Leaders Pono Chong and Blake Oshiro, as well as the Office Manager for Representative Scott Saiki. Mr. Park is respected by his colleagues, as evidenced by comments submitted by Representative Mark Hashem, who testified that Mr. Park "is a highly intelligent, people-oriented, and responsive individual who quickly grasps issues, thinks objectively to solve problems, and works well with people to communicate and get things done." Your Committee finds that Mr. Park's knowledge, experience, and dedication to mental health and public housing issues qualify him for appointment to the State Council on Mental Health.

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, none.

#### **SCRep. 2529 Health on Gov. Msg. No. 578**

Recommending that the Senate advise and consent to the nomination of the following:

#### DIRECTOR OF THE DEPARTMENT OF HEALTH

G.M. No. 578 LINDA ROSEN, for a term to expire 12-1-2014

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Dr. Linda Rosen to possess the requisite qualifications to be nominated as the Director of Health.

Your Committee received testimony in support of the nomination of Dr. Rosen from the Governor's Office; Department of Health; Department of Land and Natural Resources; Department of Transportation; Department of Defense; State Council on Developmental Disabilities; Hawaii Pacific Health; The Queen's Health Systems; Mental Health America of Hawaii; Hawaii Public Health Association; Wilcox Memorial Hospital; Kapiolani Medical Center; Straub Clinic and Hospital; Pali Momi Medical Center; American Health Association/American Stroke Association; Kaiser Permanente; United Public Workers, AFSCME, Local 646, AFL-CIO; Hawaii Health Systems Corporation; West Hawaii Regional Board, Hawaii Health Systems Corporation; Keiki Injury Prevention Coalition; Hawaii Disability Rights Center; American Congress of Obstetricians and Gynecologists; American Medical Response; Hawaii Medical Association; Hawaii Health Information Corporation; Rehabilitation Hospital of the Pacific; Injury Prevention Advisory Committee; Domestic Violence Action Center; Hawaii Emergency Physicians Associated; Life Foundation; and several individuals.

Dr. Rosen received a Doctor of Medicine degree from the Baylor College of Medicine and a Master's degree in Public Health from Johns Hopkins Bloomberg School of Public Health. She received a Bachelor of Arts degree in Biology from the University of California at Los Angeles. Dr. Rosen is board certified in pediatrics and pediatric emergency medicine.

Your Committee finds that, consistent with the exemplary comments submitted on her behalf, Dr. Rosen has distinguished herself in various roles at the Department of Health over the past fourteen years and has a broad understanding of many aspects of health care and public health. She has demonstrated excellent leadership skills in her current position as the Chief of the Emergency Medical Services and Injury Prevention Systems Branch of the Department of Health. Prior to this position, Dr. Rosen served as Deputy Director of the Department of Health.

Dr. Rosen strives for a collaborative approach to public health and insists on the highest quality of service. She has a clinical background, a passion for the health of the community, and a deep understanding of providers and consumers of health care. Dr. Rosen's experience, management abilities, and professional relationships are needed in the Department of Health to continue moving the State forward to eliminate health disparities and implement a public health agenda.

Dr. Rosen is admired and respected by many colleagues and friends, as evidenced by comments submitted by state agencies, hospitals, not-for-profit organizations, medical professionals, and the public. Beth Giesting, the Healthcare Transformation Coordinator of the Office of the Governor, testified, "I admire Dr. Rosen's empathy and quick understanding but most of all I appreciate her willingness and energy for taking action to address problems."

Your Committee finds that Dr. Rosen's familiarity with the Department of Health, along with her experience as a pediatrician and extensive work in the emergency and critical care fields, will provide her with the necessary foundation and background to lead the Department of Health. Your Committee further finds that the legacy of the late Director of Health, Loretta Fuddy, and Dr. Rosen's approach to health care will complement each other very well. Dr. Rosen looks forward to honoring the previous Director of Health by moving public health initiatives forward for the benefit and interest 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, 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. 2530 Commerce and Consumer Protection on S.B. No. 2577**

The purpose and intent of this measure is to:

- (1) Require naturopathic physicians to qualify for prescription privileges by completing fifteen hours of pharmacology continuing medical education annually and maintaining a collegial relationship with a prescribing physician licensed under chapter 453, Hawaii Revised Statutes;
- (2) Restrict naturopathic physicians to prescribe only items under categories 1-7 of the naturopathic formulary effective August 9, 2013, and as may be subsequently amended;
- (3) Require naturopathic physicians to provide a monthly report to the Board of Naturopathic Medicine that lists the type and number of each prescription of naturopathic formulary prescribed; and
- (4) Require the Board of Naturopathic Medicine to annually report prescription data to the Legislature.

Your Committee received testimony in support of this measure from the Hawaii Medical Association. Your Committee received testimony in opposition to this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Board of Naturopathic Medicine, and several hundred individuals.

Your Committee finds that this measure requires naturopathic physicians to maintain a collegial relationship with a prescribing physician prior to qualifying for prescription privileges. However, the Board of Naturopathic Medicine indicated in testimony that all naturopathic physicians are qualified to prescribe from the naturopathic formulary without a collegial relationship with a medical doctor. Your Committee further finds that although naturopathic physicians prefer to choose natural therapies, naturopathic physicians are also trained to use pharmaceutical drugs when it is in the best interest of the patient.

Your Committee also finds that this measure restricts naturopathic physicians to prescribe only certain items of the naturopathic formulary. However, the Board of Naturopathic Medicine developed the naturopathic formulary in concert with other states that have a long history of naturopathic physician prescribing rights and a good safety record. Your Committee additionally finds that the Board of Naturopathic Medicine has indicated that it is not aware of any complaints pertaining to patient harm due to prescribing from the naturopathic formulary.

Your Committee has heard testimony that the Board of Naturopathic Medicine does not require continuing education based on a 1987 report from the State Auditor, which found such continuing education requirements to be unnecessary. Your Committee notes that although continuing education for naturopathic physicians may not have been appropriate at the time, almost thirty years have passed since the State Auditor's report. Because the field of health care is rapidly expanding and evolving, the State is now asking all health care licensees to keep up with continuing education requirements.

Although amendments are necessary to remove language that narrows naturopathic physicians' prescription privileges, restricts the naturopathic formulary, and requires reports related to prescriptions by naturopathic physicians, your Committee concludes that it is appropriate for naturopathic physicians to comply with continuing education requirements as a condition of licensure, similar to other licensed health care professionals in the State.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language that:

- (1) Adds a definition of "continuing education courses" to chapter 455, Hawaii Revised Statutes;
- (2) Requires naturopathic physicians to complete a minimum of thirty-five hours of continuing education courses, including a minimum of fifteen hours of pharmacology, during each licensing renewal biennium, beginning December 31, 2017;
- (3) Specifies that first time naturopathic physician licensees are exempt from the continuing education requirement for their first license renewal;
- (4) Specifies requirements for proof of compliance with the continuing education requirements;
- (5) Clarifies the disciplinary powers of the Board of Naturopathic Medicine regarding compliance with continuing education; and
- (6) Inserts an effective date of 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 S.B. No. 2577, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2577, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Taniguchi).

**SCRep. 2531 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 2175**

The purpose and intent of this measure is to:

- (1) Authorize the Dean of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa to establish a two-year industrial hemp remediation and biofuel research program; and
- (2) Permit the Dean of the College of Tropical Agriculture and Human Resources to submit a final report to the Legislature prior to the convening of the Regular Session of 2016.

Your Committees received testimony in support of this measure from Pacific Biodiesel Technologies, Vote Hemp, Hawaiian Standard and Green Futures, and thirty-six individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the University of Hawai'i System.

Your Committees find that industrial hemp products are an estimated \$500,000,000 industry in the United States. Hemp fibers are used to make thousands of different items, including fabrics, yarns, carpeting, home furnishings, construction materials, foods, body-care products, and auto parts. However, due to industrial hemp's close relationship to the psychoactive variety of the Cannabis plant, it has been illegal for cultivation in the United States until recently. Fortunately, Section 7606 of the United States Agricultural Act of 2014 authorizes state agriculture departments and colleges and universities to conduct hemp research.

Your Committees further find that although industrial hemp is a variety of the Cannabis plant, it is genetically distinct from the psychoactive Cannabis plant and requires different cultivation practices. The Agricultural Act of 2014 and states that have removed barriers to the production of industrial hemp have defined industrial hemp to make it clear that this crop is not the same as marijuana, which contains a much higher concentration of delta-9 tetrahydrocannabinol. Your Committees therefore conclude that a definition of industrial hemp should be added to this measure.

Accordingly, your Committees have amended this measure by:

- (1) Inserting a definition of "industrial hemp"; and
- (2) 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 Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2175, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2175, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

Judiciary and Labor  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 2532 Judiciary and Labor on S.B. No. 2229**

The purpose and intent of this measure is to:

- (1) Establish the Uniform Power of Attorney Act, which defines the levels of authority granted in a power of attorney to the principal's agent, requires an agent to act in good faith and within the scope of authority of a power of attorney, and provides sample documents to be used to create a power of attorney; and
- (2) Repeal chapter 551D, Hawaii Revised Statutes, relating to the Uniform Durable Power of Attorney Act.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation and AARP Hawaii.

Your Committee finds that powers of attorney are essential tools for delegating authority to others to effectively plan for incapacity, including the ability for a person to handle the financial matters of another. However, a 2002 national study of durable powers of attorney revealed the need to address numerous issues not contemplated in the original Uniform Durable Power of Attorney Act, codified in Hawaii as chapter 551D, Hawaii Revised Statutes. In response to these concerns and as a way to promote uniformity on issues on which the Uniform Durable Power of Attorney Act was silent, the National Conference of Commissioners on Uniform State Laws developed the model Uniform Power of Attorney Act (2006). By 2013, the Uniform Power of Attorney Act had been enacted in thirteen states and one territory.

Your Committee further finds that this measure is based on the model Uniform Power of Attorney Act, which codifies state power of attorney legislative trends and collective best practices and strikes a balance between the need for flexibility and acceptance of an agent's authority and the need to prevent and redress financial abuse. This measure preserves the durable power of attorney as a low-cost and flexible form of surrogate financial decision making in the event of incapacity, encourages acceptance of powers of attorney by third persons, safeguards incapacitated principals, and provides clearer guidelines for agents.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Commission to Promote Uniform Legislation to:
  - (A) Clarify that if an agent breaches a fiduciary duty, then the agent remains liable for the full amount of damages caused by the breach;
  - (B) Clarify that conferring the power of attorney to an agent includes other broadly worded authority in a general power of attorney signed prior to the effective date of this measure; and

(C) Delete from the power of attorney statutory form the check box for gifts under the grant of general authority as gifts are covered under the grant of specific authority; and

(2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2229, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2229, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Solomon).

**SCRep. 2533 Judiciary and Labor on S.B. No. 2352**

The purpose and intent of this measure is to streamline the notification process prior to the discharge of a patient civilly committed. Specifically, this measure:

- (1) Requires the administrator or attending physician of a psychiatric facility to provide notice of intent to discharge a patient or patient's admission to voluntary treatment;
- (2) Applies section 334-60.7, Hawaii Revised Statutes, to only civil commitments as a direct result of legal proceedings;
- (3) Requires the notice of intent to discharge or patient's admission to voluntary treatment to be served by mail to the appropriate prosecuting attorney and at the person's last known address, unless the person waives this right in writing;
- (4) Increases from three to five days the period of time after mailing of the notice within which an objection must be filed or the administrator or attending physician shall discharge or accept the patient for voluntary inpatient treatment; and
- (5) Requires courts to conduct hearings within seventy-two hours, and prior to the termination of the current commitment order, to determine if the patient still meets the criteria for involuntary hospitalization.

Your Committee received testimony in support of this measure from the Department of Health; Healthcare Association of Hawaii; United Public Workers, AFSCME Local 646, AFL-CIO; The Queen's Health Systems; and one individual. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that patients are remaining involuntarily committed to hospitals due to the difficulty of obtaining a court hearing and order, even after the patient is ready to be discharged. Your Committee further finds that while these patients remain involuntarily committed, hospitals are forced to use precious resources that could serve other patients in need. This measure streamlines the notification process prior to discharge of a patient civilly committed pursuant to criminal statutes, thereby allowing for a simplified discharge process, while safeguarding the right of individuals who require notification of the patient's discharge to object.

Your Committee has amended this measure by adopting the language suggested by the Department of the Attorney General to:

- (1) Clarify that the notice of intent to discharge and a certificate of service shall be filed with the family court and served by mail to the person's last known address and sent to the prosecuting attorney of the county from which the person was originally committed, by facsimile or electronically, for the sole purpose of victim notification;
- (2) Clarify that an objection can be filed within five calendar days;
- (3) Specify that a court is required to conduct a hearing as soon as possible, rather than within seventy-two hours, to determine if the patient still meets the criteria for involuntary hospitalization;
- (4) Require a person filing an objection to notify the psychiatric facility by telephone on the date of the filing of the objection;
- (5) Amend section 334-76, Hawaii Revised Statutes, to require an administrator of a psychiatric facility with respect to patients committed on court order from a criminal proceeding to send a notice of the intent to discharge or patient's admission to voluntary inpatient treatment by mail to the person's last known address and to the prosecuting attorney of the county from which the person was originally committed by facsimile or electronically; and
- (6) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2352, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2352, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Solomon).

**SCRep. 2534 Judiciary and Labor on S.B. No. 2031**

The purpose and intent of this measure is to establish state licensing requirements for vendors participating in the competitive bidding program for durable medical equipment, prosthetics, orthotics, and supplies established by Section 302 of the Medicare Modernization Act of 2003.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, The Queen's Health Systems, and one individual. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, Hawaii Association of Health Plans, and Hawaii Medical Service Association. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the Medicare Modernization Act of 2003 established requirements for a new competitive bidding program for certain durable medical equipment, prosthetics, orthotics, and supplies. Under the program, suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The Centers for Medicare and Medicaid Services awards contracts to enough suppliers to meet beneficiary demand for the bid items. However, according to the Healthcare Association of Hawaii, Medicare beneficiaries in Hawaii are experiencing a reduction in access to quality care as a result of the change in the way Medicare purchases durable medical equipment. Only thirteen of the ninety-seven vendors that were selected to supply the State with durable medical equipment under round two of the competitive bidding program are located within the State. As a result, Medicare beneficiaries face considerable delays in obtaining necessary durable medical equipment, which increases costs and impacts the beneficiary's quality of life. This measure establishes a state licensing program for vendors participating in the competitive bidding program to require durable medical equipment suppliers to be licensed in Hawaii to ensure that Medicare beneficiaries are provided access to timely, local services.

Your Committee notes the concerns raised in the testimony submitted by the Department of Commerce and Consumer Affairs that this measure is too vague to implement and the Department lacks the subject matter expertise regarding the Medicare durable medical equipment competitive bidding program. Furthermore, the testimony submitted by the Hawaii Medical Service Association raised a concern that this measure may bar vendors who elect not to participate in the competitive bid program from licensure, thus removing them from the marketplace. However, your Committee further notes the requests from the stakeholders for additional time to meet and develop language to address the concerns raised in submitted testimony.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the original language of this measure as introduced to require vendors who have been awarded contracts through the Centers for Medicare and Medicaid Services durable medical equipment, prosthetics, orthotics, and supplies bidding program to provide supplies to the residents of the State to have a physical presence in Hawaii. Your Committee has retained the effective date of July 1, 2050, to ensure further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2031, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2031, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 2535 (Majority) Judiciary and Labor on S.B. No. 2629**

The purpose and intent of this measure is to require an additional reporting period for lobbyists to cover the period in which the Legislature convenes a special session. Specifically, this measure:

- (1) Requires persons who engage in lobbying, spend \$750 or more to influence legislative action or a ballot issue, or who employ one or more lobbyists to influence legislative action or a ballot issue ninety days prior to the convening of a special session or through sine die of that special session, or both, to file a statement of expenditures with the Hawaii State Ethics Commission within ten days of sine die of that special session;
- (2) Amends the definition of "lobbyist" to include persons who lobby in excess of five hours in any month during the ninety days prior to the convening of a special session or through sine die of that special session, or both, or who spends more than \$750 lobbying during that same period; and
- (3) Makes various conforming amendments to chapter 97, Hawaii Revised Statutes, to reflect the reporting requirements for lobbying during a special session of the Legislature.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii, Common Cause Hawaii, and four individuals. Your Committee received testimony in opposition to this measure from Hawaii Family Advocates. Your Committee received comments on this measure from the Hawaii State Ethics Commission.

Your Committee finds that existing law requires lobbyists and lobbying organizations who meet certain criteria to file lobbying expenditure and contribution statements to the Hawaii State Ethics Commission three times per year. Two reporting periods, January 1 through the last day of February and March 1 through April 30, cover expenditures and contributions made during a regular legislative session while the third reporting period, May 1 through December 31, covers the legislative interim and any special session that the Legislature may convene. Since this report is due on January 31 of each year, any expenditures and contributions relating to a legislative action considered during a special session may be reported months after such lobbying activities occurred. By requiring persons who engage in lobbying ninety days prior to the convening of a special session or through sine die of that special session, or both, to file a statement of expenditures with the Hawaii State Ethics Commission within ten days of sine die of that special session, this measure will provide more timely reporting of lobbying expenditures and contributions and promote greater transparency.

Your Committee notes the concerns raised by the Hawaii State Ethics Commission that the language in this measure is unclear regarding the time period that a statement of expenditure covers and whether the reporting requirements apply to matters that are unrelated to the special session. Furthermore, the Commission testified that creating a new and separate section to require the filing of expenditure statements of persons who engage in lobbying before and during a special session of the Legislature is unnecessary. Lastly, the Commission raised concerns that requiring a lobbyist or lobbying organization to file a statement of expenditures within ten days after sine die of a special session is not feasible and may increase requests to the Commission for an extension of the reporting deadline.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the contents of this measure and inserting language suggested by the Hawaii State Ethics Commission to amend section 97-3, Hawaii Revised Statutes, to:



- (A) Require persons who engage in lobbying during any special session to file a statement of expenditures with the Hawaii State Ethics Commission; and
- (B) Require the statement of expenditures to cover the period from May 1 through sine die of a special session of the Legislature and only include expenditures and contributions that relate to each legislative action considered during that special session;
- (2) Requiring the statement of expenditures that covers the period from May 1 through sine die of a special session of the Legislature to be filed within thirty days after sine die of that special session;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2629, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Galuteria, Solomon).

**SCRep. 2536 Ways and Means on S.B. No. 2779**

The purpose and intent of this measure is to specifically authorize the Auditor to obtain tax return information necessary for conducting the Comprehensive Annual Financial Report audit of the State.

This measure also requires the Auditor and the Auditor's authorized agents to maintain the confidentiality of tax return information obtained under this measure.

The Department of Accounting and General Services, Department of Budget and Finance, and the Office of the Auditor testified in support of this measure. The Department of Taxation orally testified in support of the measure. The Department of the Attorney General and the Tax Foundation of Hawaii submitted comments.

Your Committee finds section 23-5, Hawaii Revised Statutes, authorizes the Auditor to conduct audits of all departments, offices, and agencies of the State and its political subdivisions. However, questions have been raised regarding the Auditor's authority to review tax returns and other tax records on file with the Department of Taxation that the Auditor requires to conduct the Comprehensive Annual Financial Report audit of the State. This measure will provide the Auditor with clear authority to access relevant and necessary tax return information for financial audits of the State, while ensuring that taxpayer information will remain confidential.

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. 2779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2779, 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, 1 (Dela Cruz).

**SCRep. 2537 (Majority) Ways and Means on H.B. No. 2281**

The purpose and intent of this measure is to make an emergency appropriation to the Office of the Governor to fund:

- (1) Dues to the National Governor's Association;
- (2) Vacation payouts for staff who are no longer employed by the Office of the Governor; and
- (3) Expenses incurred as a result of the Governor's participation in the Presidential Climate Change Taskforce.

The Office of the Governor submitted testimony in support of this measure. One individual submitted testimony in opposition to this measure.

Your Committee finds that, pursuant to the requirements set forth in Article VII, section 9, of the Hawaii State Constitution, the Governor requested immediate consideration and passage of this measure. Your Committee also finds these funds are necessary for the effective and efficient operations of the Office of the Governor.

Your Committee has amended this measure by changing the appropriation amount to an unspecified sum 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. 2281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2281, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 2538 Ways and Means on S.B. No. 2321**

The purpose and intent of this measure is to provide that unclaimed cash of less than \$100 per apparent owner in the unclaimed property trust fund is to be automatically deposited into the general fund after the expiration of certain periods of time from the date of deposit into the trust fund, based upon the amount of cash.

The Department of Budget and Finance provided comments on this measure.

Your Committee finds that section 523A-26(d), Hawaii Revised Statutes, already provides that all unencumbered and unexpended funds in excess of \$1,300,000 on balance in the unclaimed property trust fund on June 30 of each year shall lapse to the credit of the general fund. In addition, this measure as received by your Committee does not specify its applicability to funds deposited into the unclaimed property trust fund prior to the effective date of this measure.

Accordingly, your Committee has amended this measure by replacing its contents with provisions that require claims for funds of any amount less than \$100 in the unclaimed property trust fund to be filed within ten years of the deposit of the funds into the trust fund. The application of the ten-year time period commences on July 1, 2014, for funds already deposited into the trust fund prior to that date. On or after July 1, 2014, the ten-year time period will commence from the date of deposit of the funds into the trust fund. At the expiration of the ten-year time period, unclaimed funds that are subject to this measure will escheat to the State and be transferred 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 S.B. No. 2321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2321, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2539 Ways and Means on S.B. No. 2896**

The purpose and intent of this measure is to clarify that wholesale sales of tangible personal property are subject to the one-half of one per cent general excise tax rate.

The Department of Taxation submitted testimony in support of this measure. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that section 3 of Act 135, Session Laws of Hawaii 2003, inadvertently repealed the one-half of one per cent general excise tax rate imposed upon the wholesale sale of tangible personal property. This measure addresses the inadvertent repeal and clarifies that the proper general excise tax rate imposed upon the wholesale sale of tangible personal property is one-half of one per cent.

Your Committee has amended this measure by:

- (1) Removing reference to the general excise tax exemption provided under section 237-29.55, Hawaii Revised Statutes; and
- (2) 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. 2896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2896, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2540 (Majority) Ways and Means on S.B. No. 2886**

The purpose and intent of this measure is update state income tax law to conform to changes made to the Internal Revenue Code in calendar year 2013.

The Department of Taxation provided testimony in support of this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee finds that this measure is the annual tax conformity bill submitted by the Department of Taxation pursuant to section 235-2.5, Hawaii Revised Statutes, to maintain state income tax conformity with the federal Internal Revenue Code by adopting changes made during the previous year that are appropriate for Hawaii law.

Your Committee has amended this measure by:

- (1) Removing language intended to disallow a deduction under section 275 of the Internal Revenue Code if a taxpayer has taken the credit allowed under section 235-55, Hawaii Revised Statutes;
- (2) Adding language to disallow the deduction under section 164(a)(3) of the Internal Revenue Code for amounts for which the credit under section 235-55, Hawaii Revised Statutes, has been claimed; and
- (3) 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. 2886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2886, 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 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 2541      Ways and Means on S.B. No. 2323**

The purpose and intent of this measure is to clarify the method of calculating the state tax credit for research activities by qualified high technology businesses, including by specifying that credit for all qualified research expenses may be taken without regard to the amount of expenses for previous years.

The Department of Business, Economic Development, and Tourism; the High Technology Development Corporation; The Chamber of Commerce of Hawaii; Navatek; Pacific Marine and Supply; Oceanit; and twenty-five individuals testified in support of this measure. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that Act 270, Session Laws of Hawaii 2013, requires the Department of Business, Economic Development, and Tourism to administer an annual survey of high technology businesses that claim the tax credit for research activities. The information from the survey will be used to profile the companies that claim the tax credit and incorporated into annual reports to the Legislature that will provide descriptive statistics and measure the effectiveness of the tax credit. Your Committee notes that the Department of Business, Economic Development, and Tourism has indicated that it may lack the resources necessary to administer the survey and fulfill the reporting requirements, particularly in view of various proposals in separate legislation currently being considered that may place additional responsibilities on the Department for the administration of the tax credit.

Accordingly, your Committee has amended this measure by:

- (1) Appropriating moneys for the Department of Business, Economic Development, and Tourism to establish one full-time, permanent compliance specialist position to assist with the administration of the tax credit;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2323, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2542      (Majority) Ways and Means on S.B. No. 2205**

The purpose and intent of this measure is to establish a state earned income tax credit.

The Hawaii State Commission on the Status of Women; Aloha United Way; Catholic Charities Hawaii; Community Alliance on Prisons; Goodwill Industries of Hawaii, Inc.; Hawaii Alliance for Community-Based Economic Development; Hawaii Appleseed Center for Law and Economic Justice; Hawaii Catholic Conference; ILWU Local 142; National Community Tax Coalition; Partners In Care; and five individuals submitted testimony in support of this measure. The Department of Taxation; Tax Foundation of Hawaii; and one individual submitted comments on the measure.

Your Committee finds that this measure is intended to provide additional resources to economically disadvantaged taxpayers by establishing a refundable state earned income tax credit equal to ten per cent of the federal earned income tax credit allowed under section 32 of the Internal Revenue Code.

Your Committee notes that the Department of Taxation had serious concerns regarding the following:

- (1) The Department has difficulty with compliance enforcement of refundable tax credits because they create an incentive and opportunity for fraud; whereas nonrefundable tax credits limit the incentive for fraud because they only benefit taxpayers to the extent of their tax liability;
- (2) Refunds are generally paid before a complete review of each return is done;
- (3) The Department would have no way to obtain the information necessary to independently determine whether a claim for a federal earned income tax credit is proper, prior to issuing a state tax refund;
- (4) There is very little chance that the Department would be able to recover refunds that are issued on fraudulent or improper claims;
- (5) The Department lacks sufficient data matching capabilities to identify and prevent improper claims from being refunded; and
- (6) Despite its extensive data matching capabilities, the Internal Revenue Service still experiences a twenty-one to twenty-five per cent error rate of improper claims for the federal earned income tax credit being filed and paid. Therefore, if the state earned income tax credit is based upon the federal earned income tax credit, it would be expected that the State's error rate will be as high, if not higher than the federal error rate.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (2) 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. 2205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2205, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 2543 (Joint) Health and Commerce and Consumer Protection and Ways and Means on S.B. No. 2194**

The purpose and intent of this measure is to:

- (1) Require the Department of Health to require birthing facilities to perform a critical congenital heart defect screening using pulse oximetry on every newborn in its care prior to discharge from the birthing facility;
- (2) Make an exception for parents, guardians, or other persons having custody or control of the child who object to pulse oximetry screening on the grounds that the tests conflict with their religious tenets and beliefs, and written objection is made a part of the infant's medical record;
- (3) Require the Department of Health to adopt rules as necessary to effectuate the program for newborn critical congenital heart defect screening using pulse oximetry; and
- (4) Make an appropriation to support a program for newborn critical congenital heart defect screening using pulse oximetry.

Your Committees received testimony in support of this measure from the Department of Health, American Heart Association, Kapiolani Medical Center for Women and Children, Kaiser Permanente, American Congress of Obstetricians and Gynecologists, March of Dimes, American Academy of Pediatrics, The Queen's Health Systems, and three individuals.

Your Committees find that congenital heart defects are structural abnormalities of the heart that are present at birth and are the number one killer of infants with birth defects. Congenital heart disease is the most common serious birth defect, occurring in one out of four hundred births in Hawaii and accounting for more deaths than any other malformation. Unfortunately, more than half of patients with a missed diagnosis of critical congenital heart disease will die at home or in an emergency room before their heart disease is recognized.

Your Committees further find that pulse oximetry is a simple, non-invasive test that helps identify more than ninety percent of heart defects in newborns. This measure ensures that Hawaii families are provided with the most recent standard of care for newborn health screenings.

Your Committees have amended this measure by:

- (1) Requiring birthing facilities to follow procedures, in addition to pulse oximetry tests, as specified by the guidelines of the American Academy of Pediatrics;
- (2) Deleting the provision mandating the Department of Health to require each birthing facility to perform critical congenital heart defect screenings;
- (3) Deleting the provision mandating that the person in charge of each institution caring for newborn infants and the responsible physician attending the birth of a newborn, or the person assisting the birth of a child not attended by a physician, ensure that every infant in the person's care be tested for congenital heart defects through pulse oximetry screening;
- (4) Deleting the provision mandating the Department of Health to adopt rules as necessary to effectuate the purposes of this measure; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that although the initial investment in the equipment used for pulse oximetry screening may be costly for some birthing facilities, the subsequent costs of pulse oximetry screening are estimated at below \$4 per baby. In fact, Kapiolani Medical Center estimates its cost to implement the screening using reusable equipment at \$1 per baby. Your Committees further note that it is pertinent to discuss whether this measure may be applied to the home birth setting, since home birth practitioners may not have access to the necessary equipment for pulse oximetry screening.

As affirmed by the records of votes of the members of your Committees on Health, Commerce and Consumer Protection, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2194, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2194, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

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

Ways and Means

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2544 (Joint/Majority) Commerce and Consumer Protection and Health on S.B. No. 2501**

The purpose and intent of this measure is to:

- (1) Change the name of the Board of Dental Examiners to "Board of Dentistry and Dental Hygiene"; and
- (2) Beginning July 1, 2015, decrease the number of members on the Board from twelve to eleven members; require four members of the Board to be licensed, practicing dental hygienists; require at least one of the practicing dentist members to have a background in public health dentistry or a license in community service dentistry; and prohibit members of the Board from being in any way connected with or having financial interest in any dental examination company.

Your Committees received testimony in support of this measure from the Hawaii Dental Hygienists Association and ten individuals. Your Committees received testimony in opposition to this measure from the Hawaii Dental Association and nineteen individuals. Your Committees received comments on this measure from the Board of Dental Examiners.

Your Committees find that this measure changes the name of the Board of Dental Examiners to the Board of Dentistry and Dental Hygiene (Board). Your Committees find that this change is an appropriate reflection of the Board's function, as it regulates dentists and dental hygienists within the State.

Your Committees have heard testimony that changing the current composition of the Board is needed to ensure that the unique perspectives of dental hygienists are adequately represented. Your Committees have also heard testimony that changing the composition of the Board is not needed, as the current Board composition is within the national average for dentist and dental hygienist representation. Your Committees acknowledge these differing viewpoints and conclude that, for now, the number of dentist members on the Board should remain at eight and the number of dental hygienist members should be increased to three. However, your Committees note that this measure is a work in progress. Your Committees also note that since the role of the Board is to serve the interests of the public and ensure consumer safety, any changes in composition to the Board should be made with consumer protection in mind.

Your Committees have also heard testimony that the Board is an active member of the Central Regional Dental Testing Service and the Northeast Regional Board of Dental Examiners. Board members also serve as examiners, officers, and committee members for these testing agencies. The requirement in this measure that no member of the Board be connected with a dental examination company may therefore be problematic, as most of the Board members would be ineligible to serve on the Board. To address this issue, your Committees conclude that the Board should develop a conflict of interest policy regarding Board member participation with dental examination companies and report back to the Legislature on the status of this policy prior to the Regular Session of 2015.

Finally, your Committees note that although continuing discussion on this measure is needed, the change in composition of Board members is not intended to take effect until July 1, 2015.

Accordingly, your Committees have amended this measure by:

- (1) Increasing the number of members on the Board of Dentistry and Dental Hygiene from twelve to thirteen members, rather than decreasing the number of members from twelve to eleven;
- (2) Removing language that would have decreased the number of dentist members on the Board;
- (3) Requiring three members of the Board to be licensed, practicing dental hygienists;
- (4) Requiring the Board to develop a conflict of interest policy regarding Board member participation with dental examination companies that may provide examinations for Hawaii dentists and report to the Legislature on the status of this policy no later than twenty days prior to the convening of the Regular Session of 2015, rather than prohibiting members of the Board from being connected in any way to a dental examination company;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) 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 Commerce and Consumer Protection and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2501, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2501, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection

Ayes, 3; Ayes with Reservations (Nishihara, Slom). Noes, 2 (Taniguchi, Wakai). Excused, none.

Health

Ayes, 4; Ayes with Reservations (Green, Nishihara, Slom). Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 2545 (Joint) Human Services and Economic Development, Government Operations and Housing on S.B. No. 2699**

The purpose and intent of this measure is to require the Hawaii Community Development Authority to impose minimum restrictions on reserved housing and workforce housing in accordance with the restrictions imposed by the City and County of Honolulu.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association, Kakaako United, Free Access Coalition, Malama Makaha, and twenty-seven individuals. Your Committees received testimony in opposition to this measure from The Pacific Resource Partnership; Howard Hughes Corporation; Downtown Capital LLC; Marcus and Associates, Inc.; and one individual. Your Committees received comments on this measure from the Department of the Attorney General, Hawaii Community Development Authority, Kamehameha Schools, and Land Use Research Foundation of Hawaii.

Your Committees find that the Hawaii Community Development Authority was established to fulfill unmet community needs, including the lack of suitable affordable housing. However, as Hawaii's need for affordable housing has grown, the Authority has only added a limited amount of affordable housing, and over ninety percent of the units under consideration for approval by the Authority are not affordable housing units. Furthermore, the Authority's definitions of reserved housing and workforce housing are contrary to the Department of Housing and Urban Development's definition of "low- or moderate-income" housing.

Your Committees further find that the Authority's policies stand in contrast to the objectives of the City and County of Honolulu, which currently requires affordable housing units for new developments to comprise at least ten percent of units priced below eighty percent of area median income and twenty percent of units priced below one hundred twenty percent of area median income, and

imposes strict prohibitions against reselling or renting homes at market rates over a fixed buyback period. The result in Kakaako is that the Authority has failed to adopt policies that encourage affordable housing, and instead has drawn development to Kakaako that, were it to occur elsewhere in Honolulu, would be required to provide affordable housing.

Your Committees have received testimony on this measure expressing concern about the workforce housing provision and that this measure does not provide a viable solution for affordable housing for middle-class residents who do not qualify for subsidized housing yet may have difficulty obtaining financing. Your Committees recognize the concerns raised and that it is an ongoing challenge for the State to find affordable housing solutions. Your Committees encourage all interested groups to continue to work together and with the Legislature to find creative and effective housing solutions for all income levels in Hawaii.

Your Committees have amended this measure by:

- (1) Removing language from sections 206E-5 and 206E-15, Hawaii Revised Statutes (HRS), that was repetitive and unnecessary;
- (2) Removing an imprecise reference to section 206E-101, HRS, to avoid confusion;
- (3) Removing the definition of “workforce housing” because it is not used in chapter 206E, HRS, and is therefore unnecessary;
- (4) Adding language to the definition of “reserved housing” to specifically reference the City and County of Honolulu’s Amendment of Affordable Housing Rules for Unilateral Agreements that was adopted February 12, 2010;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) 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 Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2699, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2699, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 4; Ayes with Reservations (Kidani, Taniguchi, Slom). Noes, none. Excused, 1 (Green).

Economic Development, Government Operations and Housing

Ayes, 5; Ayes with Reservations (Dela Cruz, English, Slom). Noes, none. Excused, 2 (Baker, Wakai).

**SCRep. 2546 Ways and Means on H.B. No. 2650**

The purpose and intent of this measure is to appropriate funds for the expenses of the Legislature, the Office of the Auditor, the Legislative Reference Bureau, the Office of the Ombudsman, and the Hawaii State Ethics Commission.

The Office of the Auditor, the State Ethics Commission, and the Office of the Ombudsman testified in support of this measure. The Legislative Reference Bureau submitted comments on this measure.

Your Committee finds that this measure appropriates sufficient funds to defray necessary expenses of the Senate and House of Representatives along with funds necessary to support the operations of the legislative service agencies and the Hawaii State Ethics Commission.

As affirmed by the record of votes of the members 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. 2650, 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, 12. Noes, none. Excused, 1 (English).

**SCRep. 2547 (Joint) Hawaiian Affairs and Health on S.B. No. 2103**

The purpose and intent of this measure is to amend the Hawaii State Planning Act’s objectives and policies for health to include the identification of social determinants of health to reduce health disparities among Native Hawaiians, other Pacific Islanders, and Filipinos.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Office of Hawaiian Affairs, Center for Hawaiian Sovereignty Studies, Hawaii Appleseed Center for Law and Economic Justice, Kaiser Permanente, Hawaii Primary Care Association, Waimanalo Health Center, HealthyPacific.org, Kookia Kalihi Valley Comprehensive Family Services, Waianae Coast Comprehensive Health Center, and fifteen individuals.

Your Committees find that social determinants are the single most important factor in individual and population health outcomes. An October 2013 report, “Assessment and Priorities for Health & Well-Being in Native Hawaiians & Other Pacific Peoples”, by the John A. Burns School of Medicine, identified a number of social determinants of health among Native Hawaiians, other Pacific Islanders, and Filipinos, who typically have disparate health outcomes compared to the rest of the state population. It is imperative that the State address these social determinants of health to improve the health and well-being of Native Hawaiians, Pacific Islanders, and Filipinos.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2103 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.

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Health

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

**SCRep. 2548 Ways and Means on S.B. No. 2208**

The purpose and intent of this measure is to provide tax relief to low-income households by increasing the adjusted gross income threshold and the income tax credit for low-income household renters. The measure also provides a formula for increasing those amounts each taxable year.

The Hawaii Alliance for Community-Based Economic Development; the Hawaii Appleseed Center for Law and Economic Justice; Aloha United Way; Hawaii Primary Care Association; Partners in Care; Goodwill Industries of Hawaii; Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled; Catholic Charities Hawaii; Community Alliance on Prisons; and seven individuals submitted testimony in support of the measure. The Department of Taxation; the Tax Foundation of Hawaii; and one individual submitted comments.

Your Committee notes that the income threshold to qualify for the low-income household renters tax credit has not increased since 1989 and the amount of the renters tax credit has not increased since 1981. At the current income threshold and tax credit amount, many households that are at risk of falling into poverty do not qualify for the tax credit and those that do qualify, do not receive a tax credit of any significant amount. Your Committee finds that increasing both the low-income household renters income threshold and the tax credit amount will provide low-income household renters with meaningful tax relief.

Your Committee has amended this measure by:

- (1) Deleting the provision requiring annual adjustments of the low-income household renters income threshold and the tax credit amount based on the Consumer Price Index;
- (2) Changing the adjusted gross income threshold and the tax credit to unspecified amounts;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for purposes of style, 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. 2208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2208, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 2549 Ways and Means on S.B. No. 3109**

The purpose and intent of this measure is to change the date of remitting for general excise tax payments from the twentieth day to the last day of the calendar month following the month in which the taxes accrue.

The Hawaii Business League and the Chamber of Commerce of Hawaii provided testimony in support of this measure. The Department of Taxation provided testimony in opposition to this measure. The Tax Foundation of Hawaii commented on the measure.

Your Committee finds that changing the filing date for general excise taxes from the twentieth day to the last day of the applicable calendar month will provide taxpayers with sufficient time to prepare the necessary paperwork to timely remit their general excise tax payments, which will ultimately increase the number of timely filings.

Your Committee has amended this measure by changing the effective date to January 1, 2050, for taxable years beginning after December 31, 2016, 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. 3109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3109, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 2550 Ways and Means on S.B. No. 2202**

The purpose and intent of this measure is to amend the refundable food/excise tax credit by updating its adjusted gross income threshold and tax credit amounts and tying future tax credit amounts to the Consumer Price Index.

Your Committee received testimony in support of this measure from Hawaii Appleseed Center for Law and Economic Justice, Hawaii Alliance for Community-Based Development, Goodwill Industries of Hawaii, Aloha United Way, Catholic Charities Hawaii, Partners in Care, ILWU Local 142, and six individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Taxation, Tax Foundation of Hawaii, and one individual.

Your Committee finds that for low-income people, the general excise tax imposes the greatest tax burden. The refundable food/excise tax credit provides a key means to promote financial stability, as well as a more equitable tax system. Your Committee notes, however, that the amount of the tax credit has not been adjusted for inflation since 2007.

Your Committee has amended this measure by:

- (1) Removing provisions that tie the tax credit amounts to the Consumer Price Index;
- (2) Changing the adjusted gross income threshold and tax credit amounts to unspecified figures;
- (3) Deleting the requirement that a person claiming the qualified exemption shall have physically resided in the State for more than nine months during the taxable year; and
- (4) Changing the effective date to July 1, 2050, 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. 2202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2202, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2551 Ways and Means on S.B. No. 2113**

The purpose and intent of this measure is to repeal the requirement that the County of Kauai contract with the Kauai Humane Society for the seizure and impoundment of unlicensed dogs and related actions.

Your Committee received written comments in support of this measure from two Kauai County Council Members and Animal Haven.

Your Committee finds the County of Kauai is mandated by section 146-16, Hawaii Revised Statutes, to contract with the Kauai Humane Society regarding the seizure and impoundment of unlicensed dogs. However, compliance with section 146-16, Hawaii Revised Statutes, has become increasingly difficult due to a decrease in operational hours at the Kauai Humane Society as a result of budget constraints. Accordingly, this measure will avert statutory violations by repealing the requirement that the County of Kauai contract with the Kauai Humane Society.

As affirmed by the record of votes of the members 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. 2113 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2552 Ways and Means on S.B. No. 2343**

The purpose and intent of this measure is to appropriate moneys to the Hawaii Invasive Species Council, through the Department of Land and Natural Resources, for invasive species prevention, control, outreach, research, and planning.

Your Committee received written comments in support of this measure from the Mayor of the County of Maui, the County Council of the County of Maui, the Nature Conservancy, Hawaii Green Growth, Hawaii Farm Bureau Federation, and three individuals. Written comments on this measure were submitted by the Department of Agriculture and the Office of Planning.

Your Committee finds that invasive species, such as insects, disease-bearing organisms, snakes, weeds, and other pests are one of the greatest threats to Hawaii's economy and natural environment as well as to the health and lifestyle of Hawaii's people. Your Committee further finds that appropriate measures are needed to control the invasion of these species and mitigate any future damage.

As affirmed by the record of votes of the members 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. 2343 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 2553 Ways and Means on S.B. No. 2702**

The purpose and intent of this measure is to extend the time period that authorizes the Department of Budget and Finance to issue special purposes revenue bonds to assist in the construction of a seawater air conditioning project on Oahu.

Honolulu Seawater Air Conditioning LLC, and one individual submitted written comments in support of this measure. The Department of Budget and Finance submitted written comments on this measure.

Your Committee finds that disruptions in financial markets over the past few years have led to the postponement of the Oahu seawater air conditioning construction project. Extending the time period that authorizes the Department of Budget and Finance to issue \$77,000,000 in special purpose revenue bonds for an additional five years will provide Honolulu Seawater Air Conditioning, LLC, with the time necessary to use proceeds from the bonds to construct a seawater air conditioning district cooling system on Oahu.

As affirmed by the record of votes of the members 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. 2702, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Keith-Agaran, Kouchi).

**SCRep. 2554 (Majority) Ways and Means on S.B. No. 2344**

The purpose and intent of this measure is to address the effects of climate change and protect Hawaii's economy, health, environment, and way of life.



Specifically, this measure:

- (1) Establishes an interagency Sea Level Rise Vulnerability and Adaptation Committee, attached to the Department of Land and Natural Resources for administrative purposes, to develop a report examining Hawaii's vulnerability to sea level rise, and possibilities for adaptation, through the year 2050;
- (2) Requires the Office of Planning to coordinate the development of a statewide climate adaptation plan and to use the Sea Level Rise Vulnerability and Adaptation Committee's report as a basis for addressing other climate threats and climate change adaptation priorities identified in Act 286, Session Laws of Hawaii 2012; and
- (3) Appropriates funds and creates positions to carry out these duties.

Written comments in support were submitted by the Office of Planning, the Department of Land and Natural Resources, the Chamber of Commerce of Hawaii, the Sierra Club of Hawaii, and one individual. Written comments were submitted by the Department of Health.

Your Committee finds that climate change is an enormous challenge facing Hawaii. Shoreline erosion, drought, and rising temperatures are impacting Hawaii and are expected to accelerate in the future. Your Committee believes that this measure will assist in addressing and mitigating the long-term threats of climate change to the State's economy, security, and way of life.

As affirmed by the record of votes of the members 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. 2344, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2555 (Majority Ways and Means on S.B. No. 2855)**

The purpose and intent of this measure is to make an emergency appropriation to the Department of Health to provide Compact of Free Association individuals with developmental disabilities with the services required by law for the remainder of fiscal year 2013-2014.

The Department of Health State Council on Developmental Disabilities and one individual submitted written comments in support of this measure.

Your Committee finds that pursuant to court order, the State must provide the services mandated by chapter 333F, Hawaii Revised Statutes, to various individuals from the Compact of Free Association population. This emergency appropriation will provide services for forty-seven individuals. Your Committee further finds that without this appropriation, the Department of Health will be forced to use other funds, thereby adversely affecting individuals receiving Medicaid Title XIX program services.

As affirmed by the record of votes of the members 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. 2855, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Kidani). Noes, 1 (Slom). Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2556 Ways and Means on S.B. No. 2603**

The purpose of this measure is to support the construction of a veterans long-term care facility by authorizing the issuance of general obligation bonds.

No written comments were received by your Committee on this measure.

Your Committee finds that an additional veterans long-term care facility in Hawaii will provide additional necessary care to veterans, their spouses, and other eligible individuals. The facility will also provide an economic boost to Hawaii by creating jobs and purchasing supplies for facility operation.

As affirmed by the record of votes of the members 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. 2603 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2557 (Majority Ways and Means on S.B. No. 2234)**

The purpose and intent of this measure is to repeal the child care licensing exemption for child care programs that are licensed by the Hawaii Council of Private Schools.

Additionally, this measure appropriates funds to the Department of Human Services to license private child care programs.

The Department of Human Services, the Executive Office on Early Learning, and the Hawaii Association for the Education of Young Children submitted written comments in support of the measure.

Your Committee finds that the repeal of the licensing exemption will ensure that all children in early childhood programs that serve children up to kindergarten will be required to meet the health and safety licensing standards of the Department of Human Services.

As affirmed by the record of votes of the members 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. 2234, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2558      Ways and Means on S.B. No. 2039**

The purpose and intent of this measure is to make an appropriation for the University of Hawaii, College of Tropical Agriculture and Human Resources cooperative extension service.

Written comments in support were submitted by the Hawaii Farm Bureau Federation, Hawaii Cattlemen's Council, Hawaii Farmers Union United, Hui 'O Malama 'Aina, and one individual.

Your Committee finds that this appropriation will improve education regarding agricultural sciences and food safety.

As affirmed by the record of votes of the members 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. 2039 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2559      Health on Gov. Msg. Nos. 564 and 566**

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAII SERVICE AREA BOARD

G.M. No. 564 ALICE BRATTON, for a term to expire 6-30-2018; and

G.M. No. 566 FRANCES ELAINE LYONS, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Alice Bratton and Frances Elaine Lyons to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Hawaii Service Area Board.

ALICE BRATTON

Your Committee received testimony in support of the nomination of Ms. Bratton from the Department of Health.

Your Committee notes that Ms. Bratton received a Master of Arts degree in Teaching from the School for International Training and a Bachelor's degree in Social Work from the Indiana University School of Social Services.

Ms. Bratton currently serves as a Parent Partner for Hawaii Families as Allies, where she is responsible for providing support to families with children who have emotional or behavioral challenges by providing workshops and support groups. Additionally, she collaborates with a variety of community stakeholders to facilitate trainings and networking for families and service providers.

Prior to this position, Ms. Bratton worked as a Team Leader for Ohana Quake Outreach, where she was responsible for the training and supervision of outreach teams providing psychological first aid and referrals in Waimea and Kona. Ms. Bratton has worked as a counselor in private practice, as well as in a residential group home for emotionally disturbed adolescent girls.

Your Committee notes that Ms. Bratton has demonstrated significant dedication to mental health issues through her background, affiliations, training, and outreach programs. Your Committee finds that Ms. Bratton has been nominated to the Mental Health and Substance Abuse, Hawaii Service Area Board, based on her knowledge, professional experience, and commitment to public service.

FRANCES ELAINE LYONS

Your Committee received testimony in support of the nomination of Ms. Lyons from the Department of Health.

Your Committee notes that Ms. Lyons received an Associate's degree in Management from Quincy College, and also studied Management at Northeastern University. Ms. Lyons currently serves as a Grant Writer for the East Hawaii Cultural Center in Hilo, where she researches funding sources for arts, cultural, and Hawaii heritage grants, and writes and submits proposals to foundations and funding sources.

Ms. Lyons has a solid background in organizational and administrative management. She is familiar with complex reports and spreadsheets related to corporate objectives and client specific requests, ensuring confidentiality of sensitive information. Ms. Lyons offers more than ten years of proven administrative, operations, communication, meeting planning, organizational, and multitasking experience.

Your Committee finds that Ms. Lyons' knowledge and experience in the corporate business environment will assist the Mental Health and Substance Abuse, Hawaii Service Area Board, in determining policy and planning for the needs of consumers living with mental illness. Your Committee further finds that Ms. Lyons has the experience, competency, and dedication to be a member of the Mental Health and Substance Abuse, Hawaii Service Area 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, none.

**SCRep. 2560      Health on Gov. Msg. No. 567**

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, OAHU SERVICE AREA BOARD

G.M. No. 567 PATRICK BROWN, for a term to expire 6-30-2018

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Patrick Brown to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Oahu Service Area Board.

Your Committee received testimony in support of the nomination of Dr. Brown from the Department of Health.

Your Committee notes that Dr. Brown holds a Doctor of Philosophy and is retired from the federal government with thirty years of service. Dr. Brown served as a member of the Senior Executive Service with the U.S. Agency for International Development. Prior to this position, Dr. Brown served as a civilian employee of the Department of the Navy at Pearl Harbor Naval Shipyard and Human Resources Manager at the Marine Corps Base Hawaii.

Dr. Brown is the parent of an adult child who struggles with alcoholism and mental illness. In order to assist his child, Dr. Brown has researched both illnesses and acquainted himself with resources available for the management of addiction and mental illness. Dr. Brown co-authored a book for families with a member struggling with addiction.

Your Committee further notes that Dr. Brown has demonstrated significant dedication to public service, as evidenced by his work with Catholic Charities' Na Ohana Pulama, a program which cares for children who have not been able to succeed in normal foster care programs. Additionally, Dr. Brown and his wife have provided a home for three children in this program. Your Committee finds that Dr. Brown has been nominated to the Mental Health and Substance Abuse, Oahu Service Area Board, based on his knowledge, experience, and commitment to serving individuals struggling with mental health and substance abuse issues.

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, none.

**SCRep. 2561 (Joint) Human Services and Hawaiian Affairs and Economic Development, Government Operations and Housing on S.C.R. No. 2**

The purpose and intent of this measure is to encourage the development of sustainable, multi-generational, mixed income, and mixed use housing.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Hawaii Public Housing Authority, Hawaii Housing Finance and Development Corporation, and three individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Hawaii Community Development Authority.

Your Committees find that the affordable housing crisis in Hawaii calls for the development of various types of housing for a range of income brackets. Your Committees further find that multi-generational households are common in this State, and that there is a need for mixed use housing developments that limit sprawl and reduce transportation-related energy costs.

Your Committees encourage the Hawaii Public Housing Authority, Department of Hawaiian Home Lands, Hawaii Housing Finance and Development Corporation, and Hawaii Community Development Authority to brief the Legislature during the 2015 Regular Session about their progress in building affordable housing. Specifically, the four entities should plan to provide tangible, detailed data regarding their development of sustainable, multi-generational, mixed income, and mixed use housing.

As affirmed by the records of votes of the members of your Committees on Human Services, Hawaiian Affairs, and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 2 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Baker, English).

**SCRep. 2562 Commerce and Consumer Protection on S.B. No. 2490**

The purpose and intent of this measure is to:

- (1) Require licensed registered nurses and licensed practical nurses to submit evidence of continuing competency at each renewal period, beginning with the June 30, 2015, licensing biennium;
- (2) Set requirements for continuing competency for licensed registered nurses and licensed practical nurses; and
- (3) Require each licensee to keep and maintain records showing that continuing competency has been completed.

Your Committee received testimony in support of this measure from Pali Momi Medical Center, Hawai'i Pacific Health, and one individual. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and Board of Nursing.

Your Committee finds that continuing competence is the ongoing application of knowledge and the decision making, psychomotor, and interpersonal skills expected of licensed nurses within a specific practice setting, which results in nursing care that contributes to the health and welfare of clients served. This measure encourages licensed registered nurses and licensed practical nurses to embrace lifelong learning as an essential key to delivering safe, high quality patient care.

Your Committee has heard the concerns from the Professional and Vocational Licensing Division and the Board of Nursing about the staffing and funding needed to implement the continuing competence requirements proposed by this measure. Your Committee understands these concerns and concludes the continuing competence requirements should be delayed until June 30, 2017. Your Committee is confident that these requirements can be adequately implemented by that time without overburdening either the Board of Nursing or the Professional and Vocational Licensing Division. However, to better ensure the successful implementation of this measure, your Committee finds that the Department of Commerce and Consumer Affairs should work in collaboration with the Center for Nursing and convene a stakeholder group to address any outstanding issues associated with this measure.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the continuing competence requirements for licensed registered nurses and licensed practical nurses shall take effect beginning with the June 30, 2017, licensing biennium;
- (2) Requiring the Department of Commerce and Consumer Affairs, in collaboration with the Center for Nursing, to convene a stakeholder group to address any outstanding issues associated with the implementation of the continuing competence requirements pursuant to this measure and report to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2015 and 2016;
- (3) Inserting an effective date of July 1, 2014; and
- (4) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2490, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2490, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2563 Ways and Means on S.B. No. 3042**

The purpose and intent of this measure is to amend the State's liquor licensing laws to reflect the changing nature of alcoholic beverage production and sales.

Specifically, the measure:

- (1) Establishes a new class 18 liquor license for small craft producer pubs; and
- (2) Removes restrictions on the amount of malt beverages that a class 14 brewpub licensee may manufacture on its premises.

Hawaiian Craft Brewers Guild and Maui Brewing Company submitted written comments in support of the measure.

Your Committee finds that this measure will remove unnecessarily restrictive limitations on breweries and will open up the ability for small producers to diversify their product lines.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 3042, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3042, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2564 (Majority) Ways and Means on S.B. No. 2073**

The purpose of this measure is to appropriate unspecified amounts, for fiscal years 2013-2015, to fund salary increases, collective bargaining cost items, Hawaii Employer-Union Health Benefits Trust Fund costs, and other cost adjustments for officers and employees within collective bargaining unit (6)(educational officers) and their excluded counterparts.

Your Committee received written comments in support of the measure from the Hawaii Government Employees Association. The Department of Budget and Finance submitted written comments on this measure.

Your Committee finds that the negotiations for collective bargaining agreements for bargaining unit (6) are currently in progress. This measure provides a legislative vehicle to fund collective bargaining costs for officers and employees within collective bargaining unit (6), along with state officers and employees who are excluded from collective bargaining, but who belong to the same compensation plans as the officers and employees within collective bargaining unit (6), if an agreement is reached or an arbitration award is issued prior to the end of the 2014 Regular Session.

Your Committee has amended this measure by making a technical nonsubstantive 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. 2073, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2073, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 2565 Ways and Means on S.B. No. 2305**

The purpose and intent of this measure is to authorize and appropriate funds for the state Department of Defense's Civil Defense agency to assemble civilian community teams in each state senatorial district and to hire a coordinator to ensure the proper training of the civilian community teams.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that trained community civilians are essential to any civil defense plan. With proper training and knowledge, civilians can assist communities in preparing for emergency situations and provide first response support.

Your Committee has amended this measure by:

- (1) Clarifying that the purpose of the civilian community teams is to provide community assistance in disaster relief as defined in section 127-1, Hawaii Revised Statutes;
- (2) Changing the appropriation to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) 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. 2305, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2305, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2566 Ways and Means on S.B. No. 2466**

The purpose and intent of this measure is to require licensed marriage and family therapists to complete a minimum of forty-five hours of continuing education courses during each licensing triennium subsequent to their first license renewal.

The National Association of Social Workers and four concerned individuals submitted written comments in support of this measure. The Department of Commerce and Consumer Affairs submitted written comments on this measure.

Your Committee finds that this measure will ensure that licensed marriage and family therapists will maintain their professional competency and keep abreast of the latest developments in their profession. As a result of this measure, Hawaii will no longer be one of two remaining states that do not require continuing education as part of its marriage and family therapist licensing laws.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, in order 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. 2466, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2466, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2567 Ways and Means on S.B. No. 2198**

The purpose and intent of this measure is to create a task force within the Department of Business, Economic Development, and Tourism to perform a feasibility study and propose legislation related to locally produced fuels.

Specifically, the measure requires the task force to study and propose legislation relating to:

- (1) Requiring locally produced renewable fuels to account for at least ten per cent of a distributor's annual sales of fuels for motor vehicles; and
- (2) Requiring the mixture of up to five per cent of locally produced biofuels in diesel fuels.

Your Committee received written comments in support of the measure from the Alliance of Automobile Manufacturers and two individuals. The Department of Business, Economic Development, and Tourism submitted written comments.

Your Committee finds that creating a task force to study the feasibility of requiring fuel sales to include locally produced renewable fuels and biofuels, and to propose related legislation, would advance the State's goals of decreasing dependence on foreign oil, reducing gasoline consumption, and producing fuels locally.

Your Committee has amended this measure by:

- (1) Clarifying that representatives of private organizations shall be invited, rather than required, to participate on the task force;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2198, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2198, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 2568 Ways and Means on S.B. No. 2293**

The purpose and intent of this measure is to appropriate moneys to the Department of Agriculture to reimburse qualified producers for a percentage of their farm's feed expenses and to provide moneys for the administrative costs of the Livestock Revitalization Program.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation.

Your Committee finds that the rising cost of livestock production and the closure of local dairy and egg farms have significantly contributed to the decline of the livestock industry in Hawaii. This has resulted in an increased dependence on mainland products and limited options for acquiring locally produced milk, eggs, poultry, and seafood products. Your Committee further finds that reimbursing qualified producers for a percentage of their farm's feed expenses will help revitalize the livestock industry and lower the cost of locally produced products.

Your Committee has amended this measure by:

- (1) Clarifying that the purpose of the appropriation is to reimburse qualified producers for their feed expenses pursuant to chapter 155D, Hawaii Revised Statutes, and for the administrative costs of the livestock revitalization program;
- (2) Changing the appropriation amount to an unspecified sum;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2293, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2293, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2569 Ways and Means on S.B. No. 2948**

The purpose and intent of this measure is to clarify the authority of the chairperson of the Public Utilities Commission regarding ministerial duties, including operational expenditures, and the hiring and retention of personnel.

Your Committee received written comments in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaii Energy Policy Forum, and one individual. Your Committee received written comments on this measure from the Public Utilities Commission.

Your Committee finds that the Commission faces exceptional challenges in recruiting and maintaining the specialized staff that is needed to provide expertise in technology, economic policy, and law. This measure will help the Commission to efficiently address issues regarding the hiring and retention of personnel. Your Committee further finds that this measure will help to avoid possible ambiguity regarding the Commission's autonomy and ability to make necessary expenditures in order to carry out its various responsibilities.

Your Committee has amended this measure by:

- (1) Clarifying that the review and approval of operational expenditures under the agreed upon threshold will be under the exclusive authority of the chairperson of the Public Utilities Commission, and that any expenditures above the threshold may be reviewed and approved by the Director of Finance;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) 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. 2948, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2948, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2570 (Majority) Ways and Means on S.B. No. 2437**

The purpose and intent of this measure is to require state agencies to coordinate with the Honolulu Authority for Rapid Transportation to address workforce housing and transit ridership.

Specifically, the measure requires:

- (1) All state agencies owning property or facilities within one-half mile of each proposed rail transit station to enter into memoranda of understanding with each other and convene working groups that include the Honolulu Authority for Rapid Transportation; and
- (2) Each working group to submit an annual report to the legislature examining how each rail transit station will help meet the demand for workforce housing, affect transit ridership, and create economic diversification and growth opportunities.

Your Committee received no written comments on the measure.

Your Committee finds that there is a need to examine how state agencies situated around each proposed rail transit station will be affected by the rail transit project and how the agencies can contribute to meeting the State's goals of increasing workforce housing, public transit ridership, and economic diversification and growth.

Your Committee has amended this measure by:

- (1) Clarifying that participation in the working groups shall be required of all state agencies owning land in proximity to proposed rail stations;
- (2) Clarifying that the working groups shall be disbanded upon the completion of the rail transit project;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2437, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2437, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Keith-Agaran, Kouchi).

**SCRep. 2571 Ways and Means on S.B. No. 2431**

The purpose and intent of this measure is to make permanent certain provisions of Act 58, Session Laws of Hawaii 2004, relating to the Hawaii Tourism Authority.

Specifically, the measure makes permanent:

- (1) The Hawaii Tourism Authority's exemption from the supervision of accounts by the Comptroller;
- (2) The Comptroller's authority to request from the Hawaii Tourism Authority information for the preparation of statements of income and expenditure by funds; and
- (3) The Hawaii Tourism Authority's exemption from the Comptroller's review and approval of business and accounting forms.

Your Committee received written comments in support of the measure from the Hawaii Tourism Authority.

Your Committee finds that Act 58, Session Laws of Hawaii 2004, was enacted to enhance the effectiveness and efficiency of the Hawaii Tourism Authority. Your Committee believes that, by making various provisions of Act 58 permanent, this measure will allow the Authority to continue operating efficiently and to execute its financial transactions in a timely manner.

Your Committee has amended this measure by:

- (1) Deleting the reenactment language for sections 201B-2 and 201B-11, Hawaii Revised Statutes, as unnecessary, given that the amendments made to those sections by Act 58, Session Laws of Hawaii 2004, are being made permanent by this measure;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2431, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2431, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2572 Ways and Means on S.B. No. 2294**

The purpose and intent of this measure is to authorize the Director of Finance to issue general obligation bonds to finance capital improvements for various irrigation systems and associated agricultural management facilities throughout the State.

Your Committee received no written comments on the measure.

Your Committee finds that to ensure a reliable source of water for Hawaii's agricultural enterprises, it is imperative to provide funding sufficient to maintain and improve the State's irrigation systems. Many existing irrigation systems are antiquated and have atrophied over a period of decades. The repair and maintenance of these systems is vital to a sustainable agricultural industry.

Your Committee has amended this measure by changing its 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. 2294, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2294, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2573      Judiciary and Labor on S.B. No. 3126**

The purpose and intent of this measure is to prohibit businesses from using noncompete agreements and restrictive covenants that forbid post-employment competition of their employees of a technology business or licensed physicians, except in certain situations.

Your Committee received testimony in support of this measure from the Department of Education, Department of Information Technology of the City and County of Honolulu, Hawaii Medical Association, and seven individuals. Your Committee received comments on this measure from the High Technology Development Corporation.

Your Committee finds that post-employment restrictive covenants impede the development of businesses in Hawaii by driving skilled workers, including technology employees and licensed physicians, to other jurisdictions and by requiring local businesses to solicit from out of the State. Hawaii's regional success depends upon a mobile workforce that remains committed to our community, and this measure will encourage the formation of new businesses and competition.

Your Committee has amended this measure by clarifying the types of employment contracts and agreements that certain noncompete or nonsolicit clauses that are prohibited from applying to licensed physicians or employees of technology businesses.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3126, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3126, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 2574      Judiciary and Labor on S.B. No. 2913**

The purpose and intent of this measure is to apply the offense of false labeling of Hawaii-grown coffee to:

- (1) All Hawaii-grown coffee, rather than only Hawaii-grown green coffee, cherry coffee, or parchment coffee; and
- (2) Any coffee that is mislabeled in regard to the grade standard requirements of rules adopted under chapter 147, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Farm Bureau; Hawaii Coffee Association; Hawaii Coffee Growers Association; Greenwell Farms; Dole Waialua Estate Coffee and Chocolates; Kona Mountain Coffee, LLC; and four individuals.

Your Committee finds that Act 328, Session Laws of Hawaii 2012, established stricter criminal penalties for falsely labeled Hawaii-grown cherry, parchment, and green coffee with regard to geographic origin. Unfortunately, the shortage of Hawaii-grown coffee caused by the coffee berry borer has increased the temptation to engage in coffee counterfeiting. Therefore, this measure applies the offense of false labeling of Hawaii-grown coffee to all types of Hawaii-grown coffee and specifies that the offense includes Hawaii-grown coffee that is falsely labeled with regard to the grade standard requirements.

Your Committee has amended this measure by adopting the language suggested by the Department of Agriculture to:

- (1) Reinstate language that applies the offense of false labeling of Hawaii-grown coffee to green coffee, cherry coffee, and parchment coffee and additionally applying the offense to false labeling of natural coffee, roasted coffee, and instant coffee;
- (2) Clarify that Hawaii-grown coffee may be falsely labeled with regard to geographic origin, grade standard classification, or use of geographic origin in the labeling of roasted or instant coffee if the green coffee beans used in the roasted or instant coffee do not meet grade standard classifications;
- (3) Reinstate the definitions of "cherry coffee", "green coffee", and "parchment coffee";
- (4) Add definitions of "instant coffee", "natural coffee", and "roasted coffee"; and
- (5) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2913, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2913, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).



**SCRep. 2575     Judiciary and Labor on S.B. No. 2763**

The purpose and intent of this measure is to:

- (1) Require the Board of Education to hold no less than six community meetings each year; provided that at least one meeting shall be held in each county;
- (2) Require the Board of Education to allow an open forum for public testimony on items not on a public meeting agenda if certain requirements are met;
- (3) Sunset the open forum requirement on June 30, 2019; and
- (4) Require the Board of Education to report to the Legislature prior to the convening of the Regular Session of 2015 on its efforts to amend its policies to include an open forum at the end of its meeting agenda.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Community Children's Council of Hawaii; Special Education Advisory Council; and six individuals. Your Committee received comments on this measure from the Office of Information Practices.

Your Committee finds that this measure increases the opportunities for all stakeholders to effectively communicate with the Board of Education. However, your Committee notes the concerns raised by the Office of Information Practices regarding the open forum requirement that allows the Board of Education to allow public testimony on items that are not on a public meeting agenda under certain conditions. The Office of Information Practices testified that these open forum opportunities could be used to intentionally subvert the spirit of the Sunshine Law and may cause delays and difficulties for the Board of Education to conduct its necessary business.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2763, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2763, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 2576     (Joint) Public Safety, Intergovernmental and Military Affairs and Ways and Means on S.B. No. 2620**

The purpose and intent of this measure is to allow works of art that are acquired using monies from the works of art special fund to be exhibited and maintained in public buildings, including federal, state, and county buildings.

Your Committees received testimony in support of this measure from the State Foundation on Culture and the Arts and one individual. Your Committees received testimony in opposition to this measure from the Department of Transportation and American Institute of Architects.

Your Committees find that allowing works of art that are procured by monies from the works of art special fund to be displayed in public buildings will increase appreciation for art and broaden the viewing audience, particularly for the neighbor islands.

Your Committees note the concerns expressed by the Department of Transportation that any capital improvement construction appropriation contributed by the Department of Transportation's Airports Division to the works of art special fund that is not solely used to enhance airport facilities would be considered a "revenue diversion", in violation of the Federal Aviation Administration's regulations.

Accordingly, your Committees have amended this measure by inserting an effective date of July 1, 2020, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2620, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2620, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Ways and Means

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Ruderman).

**SCRep. 2577     Commerce and Consumer Protection on S.B. No. 2365**

The purpose and intent of this measure is to limit the reimbursement payments of prescription medications, including relabeled or repackaged prescription medications, in workers' compensation claims.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Department of Human Resources Development; City and County of Honolulu, Department of Human Resources; The Chamber of Commerce of Hawaii; Hawaii Medical Association; Hawaii Insurers Council; Hawaiian Electric Company, Inc.; and Property Casualty Insurers Association of America. Your Committee received comments on this measure from Automated HealthCare Solutions and Work Injury Medical Association of Hawaii.

Your Committee finds that Hawaii's existing reimbursement rates for pharmaceuticals in workers' compensation claims are among the highest in the nation for brand and generic products. Existing administrative rules allow pharmaceuticals to be charged to insurance carriers at up to one hundred forty percent of the average wholesale price listed in the Red Book: Pharmacy's Fundamental Reference. However, existing statute and administrative rules do not address the reimbursement of repackaged, relabeled, or compound medications. As a result, third-party companies are able to buy prescription drugs in bulk; repack, relabel, or compound the medications; and attach their own National Drug Code to the repackaged, relabeled, or compound medications with average wholesale prices that are higher than the average wholesale prices of the original manufacturers. Insurance carriers are then billed at one hundred forty percent of the higher average wholesale price, which results in higher charges.

Your Committee further finds that this measure clarifies reimbursement rates for repackaged, relabeled, and compounded medications. Until recently, the Department of Labor and Industrial Relations was handling over two thousand billing disputes involving the correct payments for prescription repackaged, relabeled, and compounded medications. Clarifying these reimbursement rates will assist the Department in reducing the amount of these billing disputes.

Your Committee has amended this measure by moving the provisions limiting reimbursement payments of prescription medication from section 386-21, Hawaii Revised Statutes, to a new section in chapter 386, Hawaii Revised Statutes, and further amending this measure by:

- (1) Setting the payment for all forms of prescription drugs and compounded medications and the reimbursement for all pharmaceutical claims for repackaged or relabeled drugs or compound medications at an unspecified percentage of the average wholesale price, rather than at one hundred forty percent of the average wholesale price;
- (2) Specifying that payment for a prescription drug that is not available at a retail pharmacy within the State shall not be reimbursable;
- (3) Removing language that stated the Director of Labor and Industrial Relations may limit reimbursement of a specific prescription drug not available at a major retail pharmacy and deleting a definition of "major retail pharmacy";
- (4) Removing language that stated reimbursement for over the counter medications dispensed by a licensed practitioner shall be one hundred twenty percent of the average wholesale price set by the original manufacturer of the dispensed prescription drug;
- (5) Adding a definition of "equivalent generic drug product";
- (6) Inserting language to clarify that the fees for injuries covered by personal injury protection benefits under section 431:10C-308.5, Hawaii Revised Statutes, shall not exceed the charges permissible under section 386-21, Hawaii Revised Statutes, or the new section in chapter 386, Hawaii Revised Statutes;
- (7) Updating the purpose section for clarity;
- (9) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (9) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2365, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2365, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Taniguchi). Noes, none. Excused, none.

**SCRep. 2578      Judiciary and Labor on S.B. No. 2347**

The purpose and intent of this measure is to prevent the spread of pests across the State by:

- (1) Requiring nursery stock that is infested with certain pests to be treated for eradication of pests before the sale or transport of the nursery stock from one island to another island within the State or intransit;
- (2) Requiring an element of gross negligence, rather than intent, for a violation of section 150A-6(3) or (4), Hawaii Revised Statutes, relating to the importation, possession, or transportation of certain animals, plants, or equipment that is harmful to agriculture, horticulture, animals, public health, or natural resources; and
- (3) Eliminating the element of intent to propagate, sell, or release from the penalty for transporting, harboring, or importing prohibited animals or restricted plants, animals, or microorganisms without a permit and from the penalty for importing, possessing, harboring, transferring, or transporting any designated pest.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, The Nature Conservancy, Oahu Invasive Species Committee, Maui Invasive Species Committee, Molokai/Maui Invasive Species Committee, Airlines Committee of Hawaii, Outrigger Hotels Hawaii, and six individuals. Your Committee received testimony in opposition to this measure from the Hawaii Farm Bureau; Hawaii Export Nursery Association; Hawaii Floriculture and Nursery Association; Kauai Nursery & Landscaping, Inc.; and four individuals. Your Committee received comments on this measure from the Department of Agriculture and Department of the Attorney General.

Your Committee finds that pests, such as the coqui frog and little fire ant, are threatening Hawaii's delicate ecosystem and must be controlled. This measure requires that pests be eradicated before they are sold or transported in the State so that destructive pests are not able to infest the Hawaiian islands.

Your Committee notes the concerns raised by the Department of the Attorney General regarding requiring the criminal state of mind of gross negligence for a person violating section 150A-6(3) or (4), Hawaii Revised Statutes, and eliminating the intent to propagate, sell, or release with regard to prohibited animals and restricted plants. However, your Committee recognizes the pervasive problem of

pest infestation in Hawaii and the potential economic, environmental, and public health problems that such infestations may cause if not adequately controlled or prevented. Thus, your Committee believes that the issue regarding mens rea merits further discussion as this measure moves through the legislative process and encourages the Department of the Attorney General to develop language that would address the Department's concerns.

Your Committee further notes that this measure addresses pest eradication of nursery stock, but believes that a comprehensive intransland quarantine program is necessary to control the continued reintroduction of pests. Thus, your Committee believes that inserting certain parts of S.B. No. 2607 (2014), into this measure will assist the Department of Agriculture in providing a more comprehensive pest prevention and eradication program across the State.

Your Committee has amended this measure by:

- (1) Inserting certain sections of S.B. No. 2607 (2014), to establish a comprehensive intransland quarantine program to control the spread of pests within the State that:
  - (A) Prohibits a person from moving any regulated article intrastate from any quarantined area;
  - (B) Specifies the types of regulated articles that are prohibited from intrastate movement;
  - (C) Requires the Department of Agriculture to quarantine each portion of the State that is infested and sets guidelines for the Department to designate and terminate designation of quarantined areas;
  - (D) Establishes conditions for the movement of regulated articles from quarantined areas that are established by the Department of Agriculture;
  - (E) Authorizes an inspector to issue a certificate or limited permit for the intrastate movement of a regulated article approved under a compliance agreement if certain conditions are met;
  - (F) Requires the Department of Agriculture to develop and implement a comprehensive and effective interisland quarantine program, including the use of compliance agreements patterned after specific federal regulations;
  - (G) Allows any person who grows, handles, or moves regulated articles intrastate to enter into a compliance agreement with the Department of Agriculture;
  - (H) Authorizes an inspector to cancel any certificate, limited permit, or compliance agreement in the event of noncompliance by the holder of a certificate or limited permit or person who entered into a compliance agreement, and allows such person to appeal the cancellation of the certificate, limited permit, or compliance agreement;
  - (I) Establishes requirements for the attachment and disposition of the certificates and limited permits;
  - (J) Establishes within the Department of Agriculture a little fire ant and coqui frog detection, control, exclusion, and enforcement programs for nurseries producing containerized plants to keep nurseries free of the little fire ant and coqui frog and provide a basis to certify containerized nursery stock for intrastate movement;
  - (K) Establishes requirements and procedures for the little fire ant and coqui frog detection, control, exclusion, and enforcement programs for nurseries producing containerized plants;
  - (L) Authorizes the counties to establish their own requirements by ordinance to prevent the introduction of infested, regulated articles that are consistent with law and rules until the Department of Agriculture implements this measure; and
  - (M) Establishes a fine equal to the value of shipment of \$10,000, whichever is greater, for any person who moves infested regulated articles intrastate; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2347, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2347, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 2579      Judiciary and Labor on S.B. No. 2726**

The purpose and intent of this measure is to:

- (1) Require an all-terrain vehicle (ATV) or utility-terrain vehicle (UTV) to be operated if:
  - (A) The ATV or UTV is used as farm equipment;
  - (B) The ATV or UTV is operated on a street in conjunction with use as farm equipment;
  - (C) The operator holds a current category (3) license or a commercial driver's license; and
  - (D) The operator and passengers wear safety helmets secured with a chin strap;
- (2) Add definitions of "all-terrain vehicle", "farm equipment", and "utility-terrain vehicle"; and
- (3) Establish a fine of \$250 for a violation.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau, Maui County Farm Bureau, and Hawaii Cattlemen's Council, Inc. Your Committee received testimony in opposition to this measure from the Department of Transportation; Police Department, City and County of Honolulu; and Police Department, County of Maui.

Your Committee finds that ATVs and UTVs are important vehicles for farmers and ranchers to traverse through rough terrain. Since farms and ranches are often separated by sections of public roadways, this measure allows ATVs and UTVs to be operated as farm equipment on streets while establishing operating guidelines to ensure safety.

Your Committee has amended this measure by:

- (1) Adopting language suggested by the Hawaii Cattlemen's Council to add that the ATV or UTV shall be:
  - (A) Driven on streets that are no more than two lanes with posted speed limits of no more than thirty-five miles per hour;
  - (B) Used to travel between properties zoned for agriculture;
  - (C) Used in counties with populations of less than five hundred thousand residents; and
  - (D) Driven on streets during daylight hours;
- (2) Allowing, rather than requiring, for the operation of an ATV and UTV as farm equipment on a street; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2726, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2726, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Galuteria, Solomon).

**SCRep. 2580      Judiciary and Labor on S.B. No. 2608**

The purpose and intent of this measure is to:

- (1) Make it unlawful for any law enforcement agency, state or local public agency, person, or entity to use an unmanned aircraft to gather information, including but not limited to images, photographs, or recordings, except under specified circumstances; and
- (2) Requires all law enforcement agencies using unmanned aircrafts and the courts to report on their activities relating to unmanned aircrafts.

Your Committee received testimony in support of this measure from the Department of Transportation, American Civil Liberties Union of Hawaii, and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Cattlemen's Council, Inc.; The Nature Conservancy; Hawaii Farm Bureau; Hawaii Goes Fishing; and thirty-one individuals. Your Committee received comments on this measure from the Department of Defense; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Remote Control Flight Leadership Initiative; and one individual.

Your Committee finds that unmanned aircraft technology is rapidly developing. The Federal Aviation Administration Modernization and Reform Act of 2012 (Public Law 112-95 (2012)) requires the Federal Aviation Administration (FAA) to "accelerate the integration of civil unmanned aircraft systems into the national airspace system". Unmanned aircraft technology offers more efficient and cost saving methods to gather information, but this new and innovative technology may also provide opportunities for abuse. While recognizing the progressive opportunities that unmanned aircrafts provide, your Committee also recognizes the duty to protect Hawaii residents from threats to their constitutional right to privacy. This measure ensures that unmanned aircraft technology is used strictly to assist or benefit Hawaii residents and not used in a manner that will impede their right to privacy.

Your Committee notes the concerns raised in written testimony that this measure may prohibit the use of model aircraft for hobby and recreational purposes. Written testimony indicates that the FAA Modernization and Reform Act recognizes and provides an exemption for the use of model aircrafts. Accordingly, your Committee believes that this measure should exclude model aircrafts that are used for hobby or recreational purposes.

Your Committee further notes the concerns raised in written testimony that this measure may prohibit the use of unmanned aircrafts to capture images or photos to be used for commercial purposes. An exemption was requested for persons who use unmanned aircrafts for commercial purposes. However, your Committee recognizes that the FAA has been mandated by the United States Congress to research and develop a regulatory scheme for the commercial use of unmanned aircrafts. As a result, your Committee believes that it would be prudent to wait for the findings from the FAA before regulating the commercial use of unmanned aircrafts, in order to align state law with federal law.

Your Committee has amended this measure by:

- (1) Amending the purpose section to acknowledge that the FAA has been mandated by the United States Congress to research and develop a regulatory scheme for the commercial use of unmanned aircrafts and it is the intent of the Legislature to wait for the findings from the FAA before regulating the commercial use of unmanned aircrafts;
- (2) Adding a definition of "model aircraft";
- (3) Limiting the scope of and clarifying the prohibited use of unmanned aircrafts to law enforcement agencies or state or local public agencies that use unmanned aircrafts to conduct surveillance, including but not limited to capturing images, photographs, or recordings;
- (4) Exempting the use of model aircrafts for hobby or recreational purposes from the prohibition;

- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2608, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2608, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Galuteria).

**SCRep. 2581 Judiciary and Labor on S.B. No. 2591**

The purpose and intent of this measure is to:

- (1) Require the chief of each county police department to submit a report to the Legislature by January 31 of each year covering misconduct incidents that resulted in suspension or discharge of a police officer during the calendar year immediately prior to the year of the report submission;
- (2) Specify the information each report must contain, including updated information from previous reports; and
- (3) Require the county police departments to retain the disciplinary records in accordance with their respective record retention policies or for at least six months after the final report concerning that incident, whichever period is longer.

Your Committee received testimony in opposition to this measure from the State of Hawaii Organization of Police Officers.

Your Committee finds that for over a decade, the only public information available concerning final suspensions of police officers has been the annual report to the Legislature, required by section 52D-3.5, Hawaii Revised Statutes. However, these reports provide minimal detail. This measure improves the applicability of section 52D-3.5, Hawaii Revised Statutes, and creates a more informed public dialogue about misconduct by police officers.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2591, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2591, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 2582 Judiciary and Labor on S.B. No. 2270**

The purpose and intent of this measure is to confer on a property owner a private right of action and allows the property owner to file suit directly in circuit court to enforce zoning violations on neighboring properties that directly affect them.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from the Mayor, County of Maui; Planning Department, County of Kauai; Department of Planning and Permitting, City and County of Honolulu; Planning Department, County of Hawaii; Department of Planning, County of Maui; Hawaii Association of REALTORS; and Hawaii Rifle Association.

Your Committee finds that counties may not be able to take action to investigate and enforce every operation that violates county zoning ordinances. The lack of enforcement of zoning laws imposes a burden on neighboring property owners, which is an unfair imposition on their quality of life. This measure seeks to improve the application of section 46-4, Hawaii Revised Statutes, and provide aggrieved property owners with a private right of action to enforce zoning violations in court, without having to wait until relevant issues are resolved by an administrative body first or exhaust administrative remedies first.

Your Committee notes the concerns raised in written testimony in opposition to this measure that allowing a property owner a private right of action to enforce zoning violations has the potential to create situations that may pit neighbor against neighbor and could lead to abuse by neighbors. Thus, your Committee believes that the scope of the private right of action be limited to enforce zoning violations related to transient vacation rentals on neighboring properties.

Accordingly, your Committee has amended this measure by:

- (1) Limiting the scope of a property owner's private right of action to the enforcement of zoning violations related to transient vacation rentals on a neighboring property that directly affect the property owner;
- (2) Allowing the court to award attorney's fees and other reasonable expenses incurred to the prevailing party of the private right of action; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2270, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2270, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Galuteria, Solomon).

**SCRep. 2583      Judiciary and Labor on S.B. No. 2064**

The purpose and intent of this measure is to entitle injured employees to up to twenty visits for psychological and psychiatric services under workers' compensation and require such visits to take place over a sixty-day period.

Your Committee received testimony in support of this measure from the United Public Workers, AFSCME Local 646, AFL-CIO; and Work Injury Medical Association of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Human Resources Development; Department of Labor and Industrial Relations; Department of Human Resources, City and County of Honolulu; Hawaii Insurers Council; The Chamber of Commerce of Hawaii; and Hawaiian Electric Company Inc.

Your Committee finds that providing injured employees with psychological or psychiatric services can help prevent addiction, drug diversion, chronic pain, post-traumatic stress disorder, major depressive disorder, and other psychological and psychiatric issues. However, your Committee notes the concerns raised by the Department of Human Resources Development that allowing up to twenty visits for psychological and psychiatric services over a sixty-day period is costly and would require the Department to increase its reserves to account for such costs. Furthermore, the Department of Labor and Industrial Relations testified that existing administrative rules allow physicians, including psychiatrists and psychologists, an initial fifteen treatments of the injury during the first sixty calendar days without prior authorization. If the physician believes that additional treatment is warranted, the physician is required to submit a treatment plan to the employer or carrier to request up to fifteen additional treatments within a one hundred twenty calendar day period.

Accordingly, your Committee has amended this measure by:

- (1) Changing the number of visits for psychological and psychiatric services under workers' compensation from twenty visits to seventeen visits over a sixty-day period;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2064, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2064, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 2584      Judiciary and Labor on S.B. No. 2032**

The purpose and intent of this measure is to:

- (1) Add intentionally or knowingly causing bodily injury to medical services providers to the offense of assault in the second degree; and
- (2) Expand the protections under the offense of assault in the second degree to include medical services providers who work in medical clinics and federally qualified health centers.

Your Committee received testimony in support of this measure from the Hawaii Primary Care Association; The Queen's Health Systems; Kaiser Permanente Hawaii; Healthcare Association of Hawaii; United Public Workers, AFSCME Local 646, AFL-CIO; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that health care workers have faced increased risks of job-related violence in recent years. Given the increased risk of serious assaults occurring in health care settings, your Committee further finds that the legal protections currently afforded to health care workers in emergency departments should be extended to medical services providers in medical clinics and federally qualified health centers. In light of the recent reports of health care workers sustaining injury at work, your Committee requested the Healthcare Association of Hawaii to submit data to support the necessity of this measure.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2032, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2032, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Gabbard).

**SCRep. 2585      Judiciary and Labor on S.B. No. 651**

The purpose and intent of this measure is to prohibit smoking in and around public housing projects and state low-income housing projects under the jurisdiction of the Hawaii Public Housing Authority and in and around elder or elderly households.

Your Committee received testimony in support of this measure from the Department of Health, Coalition for a Tobacco-Free Hawaii, and five individuals. Testimony in opposition to this measure was submitted by thirteen individuals. Your Committee received comments on this measure from the Hawaii Public Housing Authority.

Your Committee finds that there are many hazards caused by involuntary exposure to tobacco smoke, including lung cancer, coronary heart disease, and stroke. In addition, secondhand smoke can cause lung problems, ear infections, asthma, and sudden infant death syndrome. The United States Surgeon General has found that there is no safe level or amount of exposure to secondhand smoke.

This measure assists in providing secondhand smoke-free environments for families by prohibiting smoking in and around public housing projects, state low-income housing projects, and elder or elderly households.

Your Committee has amended this measure by adopting language suggested by an individual to include sidewalks in the definition of "common areas".

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 651, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 651, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 2586 Judiciary and Labor on S.B. No. 632**

The purpose and intent of this measure is to:

- (1) Establish environmental courts as divisions within the circuit courts to hear all proceedings, including certain chapter 91, Hawaii Revised Statutes, proceedings arising from environmental laws; and
- (2) Require the Judiciary to report to the Legislature prior to the Regular Session of 2015 on the total number of environmental-related cases filed in the last five years.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Americans for Democratic Action/Hawaii, International Coastal Cleanup, Keep America Beautiful, Keep the Hawaiian Islands Beautiful, Waianae Coast Neighborhood Board No. 24, The Outdoor Circle, and eleven individuals. Testimony in opposition to this measure was submitted by the Land Use Research Foundation of Hawaii, General Contractors Association of Hawaii, Hawaii Farm Bureau, and The Chamber of Commerce of Hawaii. Your Committee received comments on this measure from the Judiciary, Department of Land and Natural Resources, Office of Planning, and one individual.

Your Committee finds that environmental disputes are currently dealt with in a variety of courts. This organizational structure inadvertently promotes inefficiency and inconsistent application of the wide variety of environmental laws. The continued maintenance and improvement of Hawaii's environment require constant vigilance and continued stewardship to ensure its lasting beauty, cleanliness, and uniqueness and the stability of its natural systems, all of which enhance the mental and physical well-being of Hawaii's people.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of Land and Natural Resources to include within the jurisdiction of the environmental court those proceedings arising under chapters 6D, 6E, and 6K, and title 12 of the Hawaii Revised Statutes; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 632, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 632, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 2587 Judiciary and Labor on S.B. No. 72**

The purpose and intent of this measure is to establish a medical or compassionate release pilot program for certain ill, disabled, and geriatric inmates who pose a low risk to public safety. Specifically, this measure:

- (1) Requires the Department of Public Safety to assess and refer inmates to the Hawaii Paroling Authority for possible medical release;
- (2) Allows an inmate to be considered for medical release at the request of the Director of Public Safety, the inmate, or the inmate's representative if the inmate meets specified criteria;
- (3) Requires the Hawaii Paroling Authority to:
  - (A) Grant or deny the request after a hearing;
  - (B) Set reasonable conditions on an inmate's medical release; and
  - (C) Promptly order an inmate to be returned to custody to await a revocation hearing if the Authority receives credible information that an inmate has failed to comply with any reasonable conditions of medical release; and
- (4) Sunsets the pilot program on June 30, 2016.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawaii, Community Alliance on Prisons, The Drug Policy Action Group, and eighteen individuals. Your Committee received testimony in opposition to this measure from the Department of Public Safety. Your Committee received comments on this measure from the Hawaii Paroling Authority and Hawaii Substance Abuse Coalition.

Your Committee finds that compassionate medical release programs for inmates provide relief to prison systems dealing with an increasingly older population subject to more medical issues and higher treatment costs. Releasing inmates who are found to pose no

or little risk to public safety could save the State millions of dollars in health care costs, relieve prison overcrowding, and offer a more dignified and humane death to those who would otherwise die in prison.

Your Committee notes the concerns raised in the written testimony submitted by the Department of Public Safety regarding the language in this measure that requires the Director of Public Safety to appoint an advocate to act on behalf of any inmate who requests medical release and who is unable, due to incapacitation or debilitation, to advocate on the inmate's own behalf. The Department testified that requiring the appointment of an advocate is unnecessary because the Department has physicians to make release recommendations under such conditions. Furthermore, this measure requires the Department to submit a medical release report to the Hawaii Paroling Authority within twenty days of receiving a request for medical release. The Department testified that due to the limited number of physicians, the twenty-day timeframe to submit a medical release report is not feasible. Lastly, the Hawaii Paroling Authority testified that it already has an existing administrative process to hear requests for medical release and that the required hearing proposed in this measure is duplicative and unnecessary.

Accordingly, your Committee has amended this measure by:

- (1) Extending the time period within which the Department of Public Safety must submit a medical release report to the Hawaii Paroling Authority from twenty days to forty-five days;
- (2) Adopting the suggestion made by the Hawaii Paroling Authority to delete language that requires the Authority to conduct a hearing on all requests for medical release;
- (3) Adopting the suggestion made by the Department of Public Safety to delete the language that requires the Director of Public Safety to appoint an advocate to act on behalf of any inmate who requests medical release and who is incapacitated or debilitated and therefore cannot advocate on the inmate's own behalf;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 72, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 72, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 2588      Judiciary and Labor on S.B. No. 2822**

The purpose and intent of this measure is to authorize the Department of Commerce and Consumer Affairs to conduct criminal history record checks on real estate appraiser license applicants, as required by federal law.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, and one individual.

Your Committee finds that pursuant to Title XI of the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Appraiser Qualifications Board has the authority to establish the qualification criteria for state licensing, certification, and recertification of real property appraisers. Your Committee further finds that the Appraiser Qualifications Board has adopted a requirement that all candidates for real property appraiser credentials must undergo background screening, a requirement that each state must implement no later than January 1, 2015. This measure permits the Department of Commerce and Consumer Affairs to conduct criminal background checks on real estate appraiser license applicants, thereby complying with federal law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2822, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Solomon).

**SCRep. 2589      Judiciary and Labor on S.B. No. 2420**

The purpose and intent of this measure is to allow the State and counties to perform criminal history record checks on:

- (1) Employees, prospective employees, volunteers, and contractors whose positions allow them unescorted access to secured areas and equipment related to a traffic management center;
- (2) Employees and prospective employees whose positions involve the handling or use of firearms for other than law enforcement purposes; and
- (3) Current and prospective systems analysts and others involved in an agency's information technology operation whose positions allow them access to proprietary, confidential, or sensitive information.

Your Committee received testimony in support of this measure from the Department of Human Resources Development; Department of Transportation; Department of Human Resources, City and County of Honolulu; Police Department, City and County of Honolulu; and Hawaii Rifle Association. Your Committee received comments on this measure from the Hawaii Civil Rights Commission.

Your Committee finds that it is important for employers to be able to determine the employment suitability of current and prospective employees. Certain job duties and responsibilities make the need to determine employment suitability particularly crucial and may warrant additional evaluation of the current or prospective employee. One tool that is useful to assess employment suitability



is criminal history record checks. This measure authorizes the State and counties to access criminal history record information for additional groups of employees and prospective employees.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2420, 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 (Gabbard, Solomon).

**SCRep. 2590 Judiciary and Labor on S.B. No. 2386**

The purpose and intent of this measure is to:

- (1) Establish the offense of advertising the sale of stolen property; and
- (2) Make conforming amendments to section 708-834, Hawaii Revised Statutes, to include the offense of advertising the sale of stolen property and make other clarifying amendments.

Your Committee received testimony in support of this measure from seven individuals.

Your Committee finds that victims of property theft often find their belongings advertised for sale in various locations such as the Internet. This measure would criminalize the advertisement of stolen property and would make the advertisement for the sale of such stolen property equivalent to the grade of offense as theft of the property advertised for sale. Your Committee further finds that this measure will afford additional protection to consumers by reducing the occurrence of stolen goods being advertised for sale.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2386, 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 (Galuteria, Solomon).

**SCRep. 2591 Judiciary and Labor on S.B. No. 2367**

The purpose and intent of this measure is to clarify chapter 806D, Hawaii Revised Statutes, by:

- (1) Amending the definition of "recipient" to clarify that an out-of-state recipient who is issued criminal process must have conducted business or engaged in transactions or activities occurring at least in part in Hawaii;
- (2) Clarifying that criminal process issued by or in another state:
  - (A) May be served upon a person or business located in Hawaii, but not a government agency;
  - (B) Is for the production of records in the actual or constructive possession of that person or business located in Hawaii; and
  - (C) Is based on a pending criminal investigation or prosecution in that other state;
- (3) Specifying the circumstances under which certain persons or businesses located in Hawaii may be served criminal process issued by or in another state; and
- (4) Specifying the information the service of criminal process issued by or in another state must include.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of the Prosecuting Attorney, City and County of Honolulu; and Police Department, City and County of Honolulu.

Your Committee finds that Act 325, Session Laws of Hawaii 2012, codified as chapter 806D, Hawaii Revised Statutes, created a criminal long arm statute to authorize Hawaii courts to order the production of records, including electronic records, held by entities outside of the State for criminal matters. Prior to the enactment of chapter 806D, Hawaii Revised Statutes, out-of-state entities could not be compelled to comply with service of process in criminal matters issued by Hawaii courts. However, as the Department of the Attorney General notes in testimony, several issues have arisen out of this law, including a lack of a nexus requirement between a Hawaii recipient of process and the service-issuing state, confusion regarding the use of certain terms, and the potential for other states to issue process in an attempt to compel government agencies to disclose protected records. This measure corrects these issues and improves the application of the criminal process records law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2367, 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 (Galuteria).

**SCRep. 2592 (Joint/Majority) Economic Development, Government Operations and Housing and Water and Land and Agriculture and Ways and Means on S.B. No. 112**

The purpose and intent of this measure is to:

- (1) Establish the Whitmore project facility revenue bond special fund into which proceeds from revenue bonds shall be deposited for purchasing certain parcels of land from Dole Food Company, Inc.; and
- (2) Appropriate funds to acquire certain lands from Dole Food Company, Inc.

Your Committees received testimony in support of this measure from the Agribusiness Development Corporation; The Trust for Public Land; Wahiawa Community and Business Association; Hawaii Agriculture Research Center; Hawaii Cattlemen's Council;

Sugarland Growers, Inc.; Hawaii Farm Bureau; and one individual. Your Committees received testimony in opposition to this measure from five individuals.

Your Committees find that there is a need to further develop a centralized hub for agricultural operations in central Oahu that includes commercial farming, packing, processing, workforce housing, food safety, education, marketing, agro-tourism, manufacturing, and other related activities. Furthermore, the purchase of certain lands in central Oahu from Dole Food Company, Inc., will provide the State with prime agricultural land, watershed lands that produce drinking water, lands that are the scenic gateway to the North Shore, and lands that are an important habitat for dozens of endangered and threatened plant and animal species.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing, Water and Land, Agriculture, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 112, S.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.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, 1 (Slom). Excused, 1 (English).

Water and Land  
Ayes, 8. Noes, 1 (Slom). Excused, none.

Agriculture  
Ayes, 5. Noes, 1 (Slom). Excused, 1 (English).

Ways and Means  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 2593      Judiciary and Labor on S.B. No. 2408**

The purpose and intent of this measure is to amend the offense of habitually operating a vehicle under the influence of an intoxicant by:

- (1) Including within the definition of “habitual operator of a vehicle while under the influence of an intoxicant”, violators who are convicted one or more times for offenses of habitually operating a vehicle while under the influence of an intoxicant; and
- (2) Amending the definition of “convicted three or more times for offenses of operating a vehicle under the influence”.

Your Committee received testimony in support of this measure from the Department of Transportation; Department of the Prosecuting Attorney, City and County of Honolulu; Department of the Prosecuting Attorney, County of Maui; Office of the Prosecuting Attorney, County of Kauai; Police Department, County of Maui; Police Department, City and County of Honolulu; and one individual. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that under existing law, a prior felony conviction for habitually operating a vehicle under the influence of an intoxicant (HOVUII) under section 291E-61.5, Hawaii Revised Statutes, is treated the same as a prior petty misdemeanor conviction for operating a vehicle under the influence of an intoxicant (OVUII) under section 291E-61, Hawaii Revised Statutes, for the purposes of triggering a subsequent HOVUII charge. As a result, a loophole exists when an individual committing the offense of OVUII after being convicted of the offense of HOVUII, within ten years of the current offense, may not have the same status as a habitual operator of a vehicle while under the influence of an intoxicant unless there were at least two more convictions of HOVUII, OVUII, or a combination of both within the applicable ten year period. Accordingly, this measure assists in the appropriate enforcement and oversight of these offenses and ensures that the definition of “habitual operator of a vehicle while under the influence of an intoxicant” accurately reflects the intent of the law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2408 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 (Galuteria, Solomon, Slom).

**SCRep. 2594      (Majority) Judiciary and Labor on S.B. No. 2881**

The purpose and intent of this measure is to repeal the sunset date of a provision that exempts government agencies from making government records available to or responding to duplicative requests made by the same person under certain conditions.

Your Committee received testimony in support of this measure from the Department of the Business, Economic Development, and Tourism; Department of Health; and Office of Information Practices. Your Committee received comments on this measure from one individual.

Your Committee finds that prior to July 2010, the Uniform Information Practices Act did not provide an exception to a government agency’s obligation to respond to a public record request made pursuant to chapter 92F, Hawaii Revised Statutes, even if the government agency had already responded to the same request one or more times. The Office of Information Practices testified that duplicative requests made by a single person are a longstanding source of frustration for government agencies. For example, the Department of Health received a high volume of duplicative requests relating to President Obama’s birth certificate. As a result, Act 100, Session Laws of Hawaii 2010 (Act 100), provided government agencies an exemption from responding to duplicative record requests from the same person if the government agency already properly responded to the same or substantially similar record requests by the same person within the past year and the government agency’s response remained unchanged. Act 100 is scheduled to sunset on July 1, 2014.

The Office of Information Practices testified that during the three-and-a-half years that Act 100 has been in effect, the Office is not aware of any significant negative effects on a record requester's ability to obtain access to government records. Furthermore, the Office is not aware of any appeals involving a complaint about a government agency's use of this exception. Thus, this measure repeals the sunset date of the exception to make this exception permanent.

Your Committee notes the comments made by an individual regarding limiting the scope of the exception to non-Hawaii residents only and thus allowing Hawaii residents to send duplicative requests for government records. This individual testified that in *McBurney v. Young*, 133 U.S. 1709 (2012), the United States Supreme Court held that Virginia's citizens-only Freedom of Information Act provision did not violate the Privileges and Immunities Clause and the Dormant Commerce Clause. Your Committee believes that the idea of applying the duplicative request exception to non-Hawaii residents merits further discussion as this measure moves through the legislative process.

Accordingly, your Committee has amended this measure by inserting an effective date of June 30, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2881, 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, 2 (Galuteria, Solomon).

**SCRep. 2595      Judiciary and Labor on S.B. No. 2682**

The purpose and intent of this measure is to require public disclosure of financial disclosure statements filed by paid state board or commission members who have original terms of office for a period exceeding one year, have functions that are not solely advisory, and serve on boards or commissions that are authorized to approve contracts or expenditures valued at more than \$1,000,000.

Your Committee received testimony in opposition to this measure from the Hawaii State Ethics Commission. The Hawaii Strategic Development Corporation and Public Utilities Commission submitted comments.

Your Committee finds that this measure increases public disclosure to identify conflicts of interest. The Hawaii State Ethics Commission testified that there are approximately one thousand eight hundred state employees and members of state boards and commissions that are required to file annual financial disclosure statements with the Commission. Of this total, approximately one hundred eighty employees' disclosure statements are required to be made available for public inspection and duplication. Due to the sheer volume of these filings, the Commission testified that its ability to identify potential conflicts of interest is limited. As a result, members of the public, especially those who are involved with and may be impacted by a board or commission member's action, are best able to identify and raise concerns about possible conflicts of interest.

Your Committee recognizes the concerns raised by the Hawaii State Ethics Commission that the language in this measure is unclear. The Commission testified that it is unsure as to which boards are intended to be captured by this measure because there are only three state boards and commissions whose members are paid. Furthermore, the Commission was unaware as to which, if any, of these boards or commissions are authorized to expend \$1,000,000 or more. As a result, the Commission recommended that this measure specifically identify the boards or commissions by title.

Accordingly, your Committee has amended this measure by requiring the financial disclosure statements of the commissioners of the Public Utilities Commission to be made available for public inspection and duplication.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2682, 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 (Slom).

**SCRep. 2596      Judiciary and Labor on S.B. No. 2634**

The purpose and intent of this measure is to provide greater transparency by requiring individuals who spend more than \$750 on lobbying during an expenditure statement period to categorize each expenditure by dollar amount and describe the nature and purpose of each expenditure, as determined by the Hawaii State Ethics Commission.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, League of Women Voters of Hawaii, Common Cause Hawaii, and nine individuals.

Your Committee finds that existing law requires the reporting of total lobbying expenditures but does not require that these expenditures be categorized according to their nature and purpose. This measure provides greater transparency regarding the expenditures that are made by lobbyists and lobbying organizations seeking to influence legislative action by requiring the categorization of lobbying expenditures.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Hawaii State Ethics Commission to clarify that each expenditure of a lobbyist or lobbying organization filing an expenditure statement be itemized in specified categories; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2634, 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 (Solomon, Slom).

**SCRep. 2597 Judiciary and Labor on S.B. No. 2452**

The purpose and intent of this measure is to exempt breastfeeding mothers or mothers who are expressing milk from jury duty for up to one year from the time the mother began breastfeeding the child.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; The American Congress of Obstetricians and Gynecologists, Hawaii Chapter; Hawaii Women's Coalition; Healthy Mothers Healthy Babies Coalition of Hawaii; Hawaii Affiliate of the American College of Nurse-Midwives; Planned Parenthood of Hawaii; Breastfeeding Hawaii; Hawaii Dietetic Association; and five individuals. Your Committee received comments on this measure from the Judiciary.

Your Committee finds that according to the Hawaii State Commission on the Status of Women, only one in five children in Hawaii are exclusively breastfed within the first six months of life as recommended by the American Academy of Pediatrics. The World Health Organization recommends that children be exclusively breastfed up to the age of six months then continue to be breastfed up to two years of age to reduce risk of infectious diseases, asthma, allergies, certain childhood cancers, obesity, and diabetes. Furthermore, the Commission testified that twelve states in addition to Puerto Rico have laws that exempt breastfeeding women from jury duty. This measure will allow breastfeeding mothers the opportunity and choice to be exempt from serving jury duty.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2452 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 (Galuteria, Solomon, Slom).

**SCRep. 2598 (Joint) Technology and the Arts and Water and Land on S.B. No. 2633**

The purpose and intent of this measure is to amend the definition of "historic property" by adding the additional requirement that property shall meet the criteria or possess the characteristics to be entered into the Hawaii Register of Historic Places.

Your Committees received testimony in support of this measure from the Building Industry Association of Hawaii, The Chamber of Commerce Hawaii, Historic Hawaii Foundation, and two individuals. Your Committees received comments on this measure from the Society for Hawaiian Archaeology and Office of Hawaiian Affairs.

Your Committees find that there is a value in preserving and developing the historic and cultural property within the State. Under the existing law, "historic property" includes "any building, structure, object, district, area, or site, including heiau and underwater site, which is over fifty years old." As a result of this broad definition that assumes age is equivalent to historic importance, there are many private residences that must undergo a historic preservation review. This has led to late and outstanding regulatory reviews by the State Historic Preservation Division. This measure seeks to reduce excessive delays and allow the State Historic Preservation Division to focus on residences that are worthy to be placed on the Hawaii Register of Historic Places.

Your Committees have amended this measure by deleting the revised definition of "historic property" and instead inserting language to amend the definition to exclude any private residence that has not been entered, or nominated by the owner of the residence for entry, onto the Hawaii Register of Historic Places.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2633, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2633, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

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

Water and Land

Ayes, 6; Ayes with Reservations (Thielen). Noes, none. Excused, 3 (Dela Cruz, Solomon, Taniguchi).

**SCRep. 2599 (Joint) Public Safety, Intergovernmental and Military Affairs and Water and Land and Ways and Means on S.B. No. 3003**

The purpose and intent of this measure is to establish the County of Niihau under the jurisdiction of the Department of Land and Natural Resources.

Your Committees received testimony in support of this measure from three individuals. Your Committees received testimony in opposition to this measure from the Ho'okipa Network – Kauai, Ocean Users and Holoholo Charters, and eight individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, Department of the Attorney General, and one individual.

Your Committees find that Niihau is unique from the rest of the State. In 1959, Niihau was the only island to vote against statehood and Niihau's owners and residents, who primarily speak Hawaiian, are nearly all descendants of natural-born citizens of the Kingdom

of Hawaii. Niihau is confronted with different issues, including concerns regarding fishing rights along the shoreline and the payment and expenditure of property taxes.

Your Committees received testimony from the owners of Niihau expressing concerns that they pay property taxes to the County of Kauai, yet the residents of Niihau do not receive, nor do they ask for, any services in exchange for the property taxes paid. Your Committees find that this issue raises concerns that merit further consideration and that a review of the issues surrounding the establishment of the County of Niihau will be beneficial.

Your Committees have amended this measure by:

- (1) Inserting language to establish a temporary working group in the Department of Land and Natural Resources to examine the issues surrounding the establishment of the County of Niihau and requiring the submittal of a report to the Legislature;
- (2) Inserting an effective date of July 1, 2020, to encourage further discussion; and
- (3) 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 Public Safety, Intergovernmental and Military Affairs, Water and Land, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3003, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3003, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, none.

Water and Land  
Ayes, 5; Ayes with Reservations (Ruderman, Slom). Noes, none. Excused, 4 (Dela Cruz, Ihara, Shimabukuro, Taniguchi).

Ways and Means  
Ayes, 12; Ayes with Reservations (Ruderman, Slom). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2600 (Joint) Agriculture and Commerce and Consumer Protection and Ways and Means on S.B. No. 111**

The purpose and intent of this measure is to require the Board of Agriculture to create labeling requirements through administrative rulemaking for all agricultural commodities in Hawaii beginning July 1, 2015.

Your Committees received testimony in opposition to this measure from Hawaii Farmers Union United, Kanalani Ohana Farm, GMO Free Hawaii, and thirty-eight individuals. Your Committees received comments on this measure from the Department of Agriculture and Hawaii Food Industry Association.

Prior to holding a hearing on this measure, your Committees made available for public review a proposed S.D. 2, which amends this measure by:

- (1) Clarifying that the measure applies to “made in Hawaii” labeling requirements and that rules adopted by the Board of Agriculture relating to “made in Hawaii” labeling requirements shall have the force and effect of law and shall not supersede any state law regarding “made in Hawaii” labeling requirements for agricultural commodities enacted prior to the effective date of this measure;
- (2) Defining ““made in Hawaii” labeling requirements” as the written, printed, or graphic matter on or attached to an agricultural commodity or any of its containers or wrappers that uses the phrase “made in Hawaii” or “produced in Hawaii” or that by any other means represents the geographic origin of the agricultural commodity as being from any place within the State;
- (3) Clarifying that the Department of Agriculture may make rules defining “made in Hawaii” labeling requirements, rather than all labeling requirements, of all agricultural commodities;
- (4) Removing language that would have deleted sections 486-120.5 and 486-120.6, Hawaii Revised Statutes, relating to labeling requirements for macadamia nuts and Hawaii grown roasted or instant coffee;
- (5) Clarifying that “made in Hawaii” labeling requirements adopted by the Board of Agriculture beginning on July 1, 2015, shall apply to fresh and processed agricultural commodities destined for shipment by commercial exporters to points outside the State; and
- (6) Clarifying that section 486-119, Hawaii Revised Statutes, relating to Hawaii-made and Hawaii-processed product labels, shall not apply to the “made in Hawaii” labeling requirements of agricultural commodities determined by the Board of Agriculture through rules.

Your Committees received testimony in support of the proposed S.D. 2 from one individual. Your Committees received testimony in opposition to the proposed S.D. 2 from Kona Coffee Farmers Association, Kona Coffee Association, and five individuals.

Your Committees find that Hawaii-made macadamia nuts and coffees are popular and coveted agriculture commodities that must be safeguarded from consumer fraud and confusion. Although the Legislature has passed laws regulating “made in Hawaii” labels on macadamia nuts and coffees, the Legislature is now receiving requests to pass similar legislation for a number of other specialty crops and agricultural commodities that are grown in Hawaii. Each one of these agricultural commodities requires different “made in Hawaii” labeling requirements and needs to be individually analyzed and assessed. Because this process is time-consuming and requires agricultural expertise, your Committees find that “made in Hawaii” labeling requirements would be better created by the Department of Agriculture through its rulemaking authority.

Members of the public expressed concerns that this measure would override the statutory labeling requirements that are already in effect for agricultural commodities such as macadamia nuts and coffees. Your Committees note the public's concerns and are adopting the proposed S.D. 2 to, among other things, clarify that statutory "made in Hawaii" labeling requirements shall supersede any rules adopted by the Board of Agriculture. In other words, those labeling requirements required by sections 486-120.5 and 486-120.6, Hawaii Revised Statutes, relating to labeling requirements for macadamia nuts and Hawaii grown roasted or instant coffee, shall not be removed or altered by this measure. As for those agricultural commodities not yet regulated by statute, your Committees find that the Board of Agriculture can create "made in Hawaii" labeling requirements more quickly and efficiently than the Legislature and should be given the authority to do so.

Accordingly, your Committees have amended this measure by adopting the proposed S.D. 2 and further amending the measure by:

- (1) Clarifying that retailers, distributors, farmers, producers, and producer-distributors that sell agricultural commodities for purchase or consumption by consumers may, rather than shall, be subject to "made in Hawaii" labeling requirements pursuant to law or adopted by the Board of Agriculture through rules;
- (2) Clarifying that "made in Hawaii" labeling requirements of all agricultural commodities may, rather than shall, be determined by the Board of Agriculture through rules adopted pursuant to Chapter 91, Hawaii Revised Statutes;
- (3) Inserting an appropriation for an unspecified amount to the Department of Agriculture to create "made in Hawaii" labeling requirements for agricultural commodities in Hawaii; and
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Agriculture, Commerce and Consumer Protection, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 111, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 111, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 7. Noes, none. Excused, none.

Commerce and Consumer Protection

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

Ways and Means

Ayes, 13. Noes, none. Excused, none.

**SCRep. 2601 (Joint) Human Services and Judiciary and Labor on S.B. No. 3012**

The purpose and intent of this measure is to require health care providers to provide medical records free of charge for the purposes of claims or appeals related to a proceeding under any provision of the Social Security Act or for state assistance under the aged, blind, and disabled program.

Your Committees received testimony in support of this measure from one individual. Your Committees received testimony in opposition to this measure from the Healthcare Association of Hawaii, Hawaii Medical Association, and The Queen's Health Systems.

Your Committees find that, under existing law, a health care provider may charge a reasonable amount for the service of providing copies of patient records, but the determination of a reasonable amount does not factor in the patient's economic status or the patient's specific need for the records. Your Committees further find that, by regulation, individuals who qualify for benefits under the Social Security Act or the state aged, blind, and disabled program have almost no income. This measure improves this population's access to personal medical records, which serves the public good and is important for a patient's medical treatment and potential disability application. Your Committees received testimony on this measure expressing concern that providing the medical records at no cost would be too burdensome.

Your Committees have amended this measure by:

- (1) Changing the language to allow health care providers to provide medical records at no cost or to charge a flat fee of \$15.60, or the amount currently approved by the Social Security Administration, whichever amount is greater, for copies of medical records necessary to support a claim or appeal under the Social Security Act;
- (2) Deleting references to a patient's attorney or a patient's authorized representative regarding the option to charge either the flat fee or amount approved by the Social Security Administration to support claims or appeals under the Social Security Act, and to not charge otherwise, for copies of medical records;
- (3) Removing language referencing the state aged, blind, and disabled program; and
- (4) 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3012, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3012, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Judiciary and Labor  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 2602 (Joint) Human Services and Health on S.B. No. 2718**

The purpose and intent of this measure is to:

- (1) Amend and establish new responsibilities and members for the Hawaii Children's Trust Fund Advisory Board;
- (2) Amend the responsibilities of the Hawaii Children's Trust Fund Coalition; and
- (3) Eliminate the Hawaii Children's Trust Fund Advisory Committee.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Children's Trust Fund, Hawaii Community Foundation, and four individuals.

Your Committees find that the Hawaii Children's Trust Fund provides important input into state planning of child abuse and neglect efforts. Your Committees further find that the Hawaii Children's Trust Fund's decision making and collaboration will be strengthened by clarifying the roles and responsibilities among participating public and private partners through a shift in structure.

Your Committees have amended this measure by:

- (1) Adding language making the Hawaii Children's Trust Fund Advisory Board responsible for advising the Department of Health on matters involving the prevention of child abuse and neglect;
- (2) Adding language making the Hawaii Children's Trust Fund Advisory Board responsible for establishing protocols to foster communication with the Hawaii Children's Trust Fund Coalition on priorities and decisions of the Advisory Board;
- (3) Inserting language requiring that one member of the Hawaii Children's Trust Fund Advisory Board be a representative of the Family Health Services Division of the Department of Health; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees request that as this measure advances through the legislative process, the following proposed amendments also be considered for adoption:

- (1) Establishing duration of terms, possibly four-year terms, for members of the Hawaii Children's Trust Fund Advisory Board;
- (2) Establishing staggered terms for transitioning members of the Hawaii Children's Trust Fund Advisory Board;
- (3) Determining whether the Hawaii Children's Trust Fund Advisory Board is subject to or exempt from Sunshine Law requirements;
- (4) Changing the name of the Hawaii Children's Trust Fund Advisory Board to the Hawaii Children's Trust Fund Board;
- (5) Adding language to section 350B-4(b)(12), Hawaii Revised Statutes, to include on the Hawaii Children's Trust Fund Advisory Board representatives from Molokai and Lanai, and a second representative from the County of Hawaii so that there is one representative from the East area of Hawaii and another representative from the West area of Hawaii; and
- (6) Changing the wording in section 350B-4(b)(13), Hawaii Revised Statutes, to reference a "parent or consumer advocate" instead of "survivors of child abuse and neglect".

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. 2718, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2718, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Health  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2603 (Joint) Human Services and Ways and Means on S.B. No. 149**

The purpose and intent of this measure is to appropriate funds for necessary long-term care services for aging and disabled individuals on Medicaid.

Your Committees received testimony in support of this measure from the Department of Community Services, City and County of Honolulu; Maui County Office on Aging; Catholic Charities Hawaii; Lanakila Pacific; AARP Hawaii; Community Alliance for Mental Health; PHOCUSED; and three individuals. Your Committees received comments on this measure from the Department of Human Services and Executive Office on Aging.

Your Committees find that, as of November 2013, long-term care services for Medicaid beneficiaries are no longer covered by kupuna care or Older Americans Act funds. As a result, hundreds of individuals on the island of Oahu are at risk of losing necessary long-term care services. Your Committees received testimony expressing concern that the funds appropriated in this measure are appropriated to the Department of Human Services instead of the Executive Office on Aging.

Accordingly, your Committees have amended this measure by:

- (1) Adding language that authorizes the Department of Human Services to transfer the appropriated funds to the Executive Office on Aging; provided that the funds are not co-mingled with kupuna care funds;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) 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 Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 149, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 149, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kidani, Taniguchi).

Ways and Means

Ayes, 10; Ayes with Reservations (Slom). Noes, none. Excused, 3 (English, Kahele, Kidani).

**SCRep. 2604 (Joint) Commerce and Consumer Protection and Ways and Means on S.B. No. 451**

The purpose and intent of this measure is to repeal the exclusion of owners or operators of aerial transportation enterprises from the definition of a public utility.

Your Committees did not receive any testimony on this measure.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language that:

- (1) Specifies that the Public Utilities Commission is an autonomous agency of the State to be transferred from the Department of Budget and Finance and assigned, for administrative purposes only, to the Department of Commerce and Consumer Affairs;
- (2) Increases the compensation of the Chair and Commissioners of the Public Utilities Commission;
- (3) Clarifies the Public Utilities Commission's authority concerning standard administrative practices, including operational expenditures and the hiring of personnel;
- (4) Enables the Chair of the Public Utilities Commission to appoint and employ an Executive Officer to assist with managing the operations of the Commission;
- (5) Specifies that the Executive Director of the Division of Consumer Advocacy shall be the Consumer Advocate in hearings before the Public Utilities Commission; and
- (6) Appropriates funds for the hiring of the Executive Officer within the Public Utilities Commission.

Your Committees received testimony in support of the proposed S.D. 1 from the Office of the Governor; Department of Budget and Finance; Department of Commerce and Consumer Affairs; Public Utilities Commission; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; County of Maui, Office of the Mayor; Hawaii Renewable Energy Alliance; Hawai'i Energy Policy Forum; Hawaii Solar Energy Association; Kauai Chamber of Commerce; Life of the Land; Ulupono Initiative; and Puna Pono Alliance. Your Committees received testimony in opposition to the proposed S.D. 1 from Common Cause Hawaii and League of Women Voters of Hawaii.

Your Committees find that the Public Utilities Commission has historically faced challenges in obtaining sufficient resources, in terms of funds for operational requirements and the hiring and retention of personnel. Given the requirements associated with various ongoing initiatives, including renewable energy, energy efficiency, and liquefied natural gas, having a Commission that is able to access needed resources and hire necessary personnel to analyze and support these initiatives is essential.

Your Committees further find that attaching agencies to state departments for administrative purposes is a reflection of the strategic nature and purpose of that agency within the entire department. The statutory responsibility of the Public Utilities Commission, which is currently administratively attached to the Department of Budget and Finance, requires a unique organizational structure and specialized staff and should therefore be administratively attached to a department whose own operational functions more closely align with the operational mission and strategic focus of the Commission. Because the mission of the Department of Commerce and Consumer Affairs is more closely aligned with the mission of the Public Utilities Commission, attaching the Commission to the Department of Commerce and Consumer Affairs for administrative purposes will assist the Commission in obtaining sufficient resources to fulfill the Commission's ever-expanding role in utility policymaking and regulation.

Your Committees additionally find that the proposed S.D. 1 ensures that the Public Utilities Commission is able to request consultation and support from the Department of Commerce and Consumer Affairs, while ensuring the administrative autonomy of the Commission. For the Commission to function effectively, it must have clear authority to manage its own day-to-day operations and functions, without undue interference. The proposed S.D. 1 will help avoid future ambiguity regarding the Commission's autonomy and ability to hire appropriate personnel and make necessary expenditures, thereby enabling the Commission to carry out its various regulatory responsibilities within a legislatively approved budget.

Your Committees also find that the creation of an Executive Officer, as described in the proposed S.D. 1, would be invaluable to the Public Utilities Commission. An Executive Officer would allow the Chairperson of the Commission to focus on the responsibilities of deliberating and making decisions on docketed matters, rather than on overseeing the Commission's day-to-day operational matters. This additional management position is also needed in light of the increasing size and complexity of the Commission's workload.



Your Committees further find that for all practical purposes, the Executive Director of the Division of Consumer Advocacy has been delegated the role of Consumer Advocate in Commission proceedings and acts on behalf of the Director of Commerce and Consumer Affairs. This represents a logical delegation of responsibilities by the Director of Commerce and Consumer Affairs, given the specialized expertise and knowledge required to represent consumers in matters of utilities regulation. The proposed S.D. 1 therefore adopts what is and has been common practice for the Consumer Advocate. Designating the Consumer Advocate Executive Director as the Consumer Advocate also creates an organizational structure and firewall that will allow the Commission to be administratively attached to the Department of Commerce and Consumer Affairs without creating conflicts of interest with the Division of Consumer Advocacy.

Your Committees conclude that the proposed S.D. 1 will enable the Public Utilities Commission to carry out its various regulatory responsibilities in a more efficient manner. However, your Committees understand that additional discussion is needed and request the Chairperson of the Public Utilities Commission and the Director of Commerce and Consumer Affairs to continue their dialogue to ensure a smooth transition of the Public Utilities Commission, including defining any services mutually agreed to be provided to the Public Utilities Commission by the Department of Commerce and Consumer Affairs, and any additional enabling legislation that should be considered by the legislature.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the proposed S.D. 1 by:

- (1) Amending the compensation of the Chairperson and Commissioners of the Commission to an unspecified percent;
- (2) Clarifying provisions relating to the creation of the Executive Officer position;
- (3) Specifying that the appropriation in this measure is to assist with the transition of the Public Utilities Commission and to enable the Chairperson of the Commission to appoint and employ an Executive Officer;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) 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 Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 451, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 451, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection

Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, none.

Ways and Means

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 2605 Ways and Means on S.B. No. 2519**

The purpose and intent of this measure is to change the computation of the general fund expenditure ceiling to use the previous fiscal year's general fund appropriation as the base, instead of the previous fiscal year's general fund expenditure ceiling, to establish a more realistic limit for general fund expenditures.

The Department of Budget and Finance and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that the general fund expenditure ceiling has grown significantly since fiscal year 1978-1979 to the point that it no longer provides a practical limit on general fund appropriations. Your Committee also finds that if the formula proposed in the measure is applied to the past ten years of general fund appropriations, general fund appropriations would have exceeded the general fund expenditure ceiling in certain fiscal years.

Your Committee further finds that retaining the current formula, but recalibrating the ceiling to use the fiscal year 2014-2015 general fund appropriation as the base, instead of fiscal year 1978-1979, will establish a realistic appropriation limit compatible with historical data.

Your Committee has amended this measure by:

- (1) Establishing the fiscal year 2014-2015 general fund appropriation as the new base for calculating the general fund appropriation ceiling for fiscal year 2015-2016;
- (2) Using the previous fiscal year's expenditure ceiling as the base to calculate each fiscal year's expenditure ceiling, beginning with fiscal year 2016-2017;
- (3) Adding a new section requiring the Director of Finance to determine if the estimated expenditure ceiling exceeds the current fiscal year's general fund appropriation by greater than ten per cent and, if so, to include that determination in the Director's communications to the Governor, Chief Justice, Legislature, and public; and
- (4) Making technical nonsubstantive amendments for purposes of style, 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. 2519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2519, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2606 (Joint/Majority) Agriculture and Public Safety, Intergovernmental and Military Affairs and Water and Land on S.B. No. 2777**

The purpose and intent of this measure is to:

- (1) Clarify that section 205-5, Hawaii Revised Statutes, relating to zoning requirements, and any ordinance, rule, or regulation adopted in accordance with this section, applies to lands not within the forest reserve boundaries; and
- (2) Clarify that land uses described in section 205-2, Hawaii Revised Statutes, relating to agricultural lands, shall be permitted without further limitations or restrictions, rather than as determined by the Land Use Commission.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation and Hawaii Cattlemen's Council, Inc. Your Committees received testimony in opposition to this measure from the Hawaii County Council; Kona Hawaii Farmers Union United; Americans for Democratic Action; Ho'okipa Network Kauai; Kauai Kunana Dairy; Seeds of Truth; Malu 'Aina; Pesticide Action Network; MOM Hui; Life of the Land; Kanalani Ohana Farm; GMO Free Hawaii; Ka Lei Maile Ali'i Hawaiian Civic Club; Rancho Aloha; Beyond Organic Consulting, Inc.; Kolo Kai Organic Farm, LLC; Cann Farm Hawaii; Puna Pono Alliance; Hawaii's Thousand Friends; and more than 280 individuals. Your Committees received comments on this measure from the Department of the Attorney General and Department of Agriculture.

Your Committees find that the original intent of this measure was to allow Hawaii farmers to conduct agricultural-based commercial operations in agricultural districts. Although Act 113, Session Laws of Hawaii 2012, was enacted to allow agricultural-based commercial operations in agricultural districts, some farmers are still not allowed to conduct such operations on their farms because the Land Use Commission has deferred to counties that have stricter rules than the State regarding commercial operations on agricultural lands.

Despite the intent of this measure, your Committees find that the language of the measure has caused some members of the public to be concerned that this measure is altogether usurping the counties' authority to regulate or restrict land use on agricultural lands. Your Committees understand the public's concern and emphasize that the intent of this measure was not to usurp the counties' authority, but rather to allow certain agricultural-based commercial operations on agricultural lands, as originally intended in Act 113.

Accordingly, your Committees have amended this measure by deleting its contents and inserting language to:

- (1) Prohibit the Land Use Commission and counties from restricting agricultural-based commercial operations that are authorized under sections 205-2(d)(15) and 205-4.5(a)(9), Hawaii Revised Statutes, in agricultural districts; and
- (2) Insert an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Agriculture, Public Safety, Intergovernmental and Military Affairs, and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2777, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2777, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

**Agriculture**

Ayes, 7; Ayes with Reservations (Thielen). Noes, none. Excused, none.

**Public Safety, Intergovernmental and Military Affairs**

Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

**Water and Land**

Ayes, 7; Ayes with Reservations (Ihara, Thielen). Noes, 1 (Ruderman). Excused, 1 (Taniguchi).

**SCRep. 2607 (Joint) Agriculture and Energy and Environment on S.B. No. 2775**

The purpose and intent of this measure is to allow solar energy facilities on agricultural lands with soil classified as overall productivity rating class A, so long as the facilities:

- (1) Do not occupy more than five per cent of the acreage of the parcel, or five acres of land, whichever is lesser;
- (2) Do not materially interfere with farm operations; and
- (3) Cause no more than a minimal adverse impact on existing or potential agricultural uses of the land.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Agriculture Research Center; Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau Federation; and four individuals. Your Committees received comments on this measure from the Office of Planning, Land Use Commission, and Department of Agriculture.

Your Committees find that using renewable energy sources to support agricultural activities is important to the State's agricultural industry, environment, and sustainability. Your Committees have concerns, however, about allowing solar energy facilities on prime class A agricultural lands, which make up only 3.1 percent of the state agricultural district. As a compromise, your Committees conclude that solar facilities should be allowed on class A lands, but only on field roads that are used for vehicular traffic. With this compromise, no prime agricultural land will be sacrificed for solar energy facilities, and the State can increase its renewable energy sustainability efforts.

Accordingly, your Committees have amended this measure by deleting its contents and inserting language to allow solar energy facilities on agricultural lands with soil classified as overall productivity rating class A, if the solar energy facilities are located on a paved or unpaved road that is established by December 31, 2013, and the road allows for vehicular traffic.

As this measure moves forward in the legislative process, your Committees request consideration of the Land Use Commission's testimony to subject solar energy facilities on class A, B, and C agricultural lands to the state special permit process.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2775, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2775, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 6. Noes, none. Excused, 1 (Wakai).

Energy and Environment

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

**SCRep. 2608 Judiciary and Labor on S.B. No. 2128**

The purpose and intent of this measure is to:

- (1) Provide guidelines and limitations for the post-conviction retention of biological evidence by the police, prosecuting attorney, laboratories, or courts; and
- (2) Establish procedures for agencies to dispose of retained evidence and for defendants to file objections to proposed disposals.

Your Committee received testimony in support of this measure from the Judiciary. Your Committee received testimony in opposition to this measure from the Office of the Public Defender and Hawaii Innocence Project of the University of Hawaii William S. Richardson School of Law.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and inserting language to:

- (1) Require custodial agencies that retain evidence to retain evidence if:
  - (A) The evidence is related to the investigation or prosecution of a case in which there has been a judgment of conviction for certain specified felonies; and
  - (B) Contains biological evidence that could be used for DNA analysis to establish identity of the person who committed the offense or exclude a person from the group of persons who could have committed the offense;
- (2) Allow an agency to dispose of evidence related to the investigation or prosecution of a case in which there has been a judgment of conviction for any felony other than the specified felony crimes if:
  - (A) The agency files a notification of the proposed disposal of the evidence with the court;
  - (B) The filed notification is served upon specified individuals or entities;
  - (C) The filed notification contains certain information;
  - (D) The court schedules a hearing if the defendant files a statement of objection; and
  - (E) The court issues an order to allow the agency to dispose of the evidence;
- (3) Allow the court to order an agency to retain evidence until the exhaustion of all appeals or the completion of any sentence if the evidence is related to the investigation or prosecution of a case in which there has been a judgment of conviction for any felony other than certain felony crimes; and
- (4) Add definitions of "agency" and "biological evidence".

Your Committee received testimony in support of the proposed S.D. 1 from the Department of the Prosecuting Attorney, City and County of Honolulu; Department of the Prosecuting Attorney, County of Maui; Police Chiefs of Hawaii Association; and Police Department, County of Maui. Your Committee received testimony in opposition to the proposed S.D. 1 from the Office of the Public Defender, Community Alliance on Prisons, and one individual. Your Committee received comments on the proposed S.D. 1 from the Judiciary and Department of the Attorney General.

Your Committee finds that the existing law regarding the retention of biological evidence is broad and requires agencies to retain all evidence that may contain biological evidence in any case that results in a conviction, regardless of whether the biological evidence is relevant to the case. The proposed S.D. 1 establishes reasonable guidelines for the retention of post-conviction biological evidence to address statewide evidence storage issues while preserving a defendant's ability to file objections to a proposed disposal of biological evidence.

Your Committee notes the concerns raised in written testimony from the Office of the Public Defender and a criminal defense attorney that the proposed S.D. 1 substantially narrows the retention of biological evidence law by protecting against the destruction of biological evidence for a list of only several specified felonies and significantly minimizes the current scope of the law pertaining to evidence that definitely contains biological evidence. Thus, testimony in opposition contends that the proposed S.D. 1 is unnecessary because the existing retention of biological evidence law provides clear and comprehensive protection.

Your Committee further notes that according to the national Innocence Project website, there have been 312 post-conviction DNA exonerations in the United States since 1989. Furthermore, in 153 of those exoneration cases, the true suspects or perpetrators were identified as a result. Testimony submitted by a criminal defense attorney indicated that in 2011, the Hawaii Innocence Project used

DNA evidence to successfully obtain a circuit court order vacating the conviction of a defendant. In 1992, Alvin Jardine III of Maui was convicted of four counts of first degree sexual assault, three counts of attempted first degree sexual assault, and one count each of kidnapping and first degree burglary. He was sentenced to thirty-five years of imprisonment. The Hawaii Innocence Project presented to the circuit court in Maui a tablecloth with DNA evidence that excluded the defendant as the perpetrator. This tablecloth was the only tangible piece of evidence that the police did not destroy. The criminal defense attorney testified that the proposed S.D. 1 will unnecessarily and unreasonably hinder the ability of the Hawaii Innocence Project and other defense attorneys in Hawaii to challenge wrongful and unjust convictions in other Hawaii cases involving DNA evidence.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and amending it further to:

- (1) Adopt the language suggested by the Department of the Attorney General by:
  - (A) Broadening the requirement to retain biological evidence that is related to the investigation or prosecution of a case in which there has been a judgment of conviction for all felonies rather than certain specified felonies;
  - (B) Clarifying that the court may allow an agency to dispose of the retained biological evidence if the defendant does not file an objection to the proposed disposal within ninety days; and
  - (C) Deleting the prosecuting attorney as a recipient of notification of the proposed disposal of evidence;
- (2) Adopt the language suggested by a criminal defense attorney by:
  - (A) Applying the retention of biological evidence requirement to evidence that may contain, rather than definitely contains biological evidence;
  - (B) Adding that evidence retained may contain biological evidence that can be used for DNA analysis to create a reasonable doubt about the identity of the person who committed the offense for which there was a judgment of conviction;
  - (C) Requiring retained biological evidence related to a judgment of conviction for a felony to be retained until the exhaustion of all appeals and any collateral proceedings or the completion of the sentence, whichever occurs later; and
  - (D) Requiring an agency to attempt personal service before it can mail a notification to the defendant's last known address upon a reasonable documented good faith attempt for personal service;
- (3) Allow an agency to dispose of evidence related to the judgment of conviction for any felony before the expiration of all appeals or any collateral proceedings or completion of any sentence, whichever occurs later, if:
  - (A) Pursuant to a court order;
  - (B) The agency files a notification of the proposed disposal of the evidence with the court;
  - (C) The filed notification is served upon specified individuals or entities;
  - (D) The filed notification contains certain information; and
  - (E) Either the defendant does not file an objection or the defendant does file an objection and the court, after a hearing, issues an order to allow the agency to dispose of the evidence;
- (4) Adopt the language suggested by the Hawaii Innocence Project to add the Hawaii Innocence Project and any additional persons the agency deems necessary as recipients of the notification of the proposed disposal of evidence;
- (5) Require the court to schedule a hearing on the objection if a defendant files a statement of objection, and notify the department or agency that prosecuted the case of the hearing; and
- (6) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2128, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2128, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Ihara, Shimabukuro). Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 2609 Water and Land on S.B. No. 2658**

The purpose and intent of this measure is to enable the complementary uses of utility scale solar energy generation and local food production on agricultural land with an overall productivity rating of class B or C, by:

- (1) Requiring that solar facilities on agricultural lands with an overall productivity rating of class B or C occupy up to thirty, rather than ten, percent of the acreage of the parcel or two or more adjacent parcels having met the applicable county requirements for the joint development or joint lot use of those parcels; provided that the area occupied by the solar facilities in excess of twenty acres shall only be made available for agricultural activities compatible with the solar energy facilities at a lease rate that is at least fifty percent below fair market rent for comparable properties; and
- (2) Requiring that solar energy facilities be removed from the land within twelve months when the facilities are no longer in operation.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Agriculture; Blue Planet Foundation; First Wind Solar Group; and two individuals. Your Committee received comments on this measure from the Office of Planning and Land Use Commission.

Your Committee finds that the State's energy policy seeks to make the best use of Hawaii's land and resources by balancing technical, economic, environmental, and cultural considerations. This measure supports the advancement of renewable energy development that simultaneously benefits and encourages on-site agricultural activities.

Your Committee further finds that solar energy is currently a bright spot in Hawaii's progress toward energy independence. Increasing the amounts of affordable renewable solar energy will power our lifestyles and economy. The dual use of the agricultural lands as provided in this measure, which may include the growing of crops or grazing of livestock, provides increased value from land. Further, energy generation can improve the viability of land for agriculture by providing infrastructure and subsidizing land costs for complementary agricultural uses.

Your Committee's utmost concern is to preserve the agricultural use of prime agricultural land. As this measure proposes the first actual combined use of agriculture and solar energy, your Committee requests the Land Use Commission to build in adequate conditions into the special use permit to ensure that agricultural activities are genuinely compatible with solar energy operations, as well as to protect against agricultural land being used as a "gentleman's farm". The testimony on this measure was unclear as to what happens to the solar facility if a sheep farmer, for example, goes out of business in two years after the special use permit is issued. Thus, your Committee believes that this measure needs to be revisited after adequate time has elapsed to evaluate its efficacy.

Your Committee has amended this measure by:

- (1) Amending sections 205-2(d)(6)(B) and 205-4.5(a)(20), Hawaii Revised Statutes, to require a special use permit for the placement of solar energy facilities on class B or C agricultural lands;
- (2) Deleting language in section 205-2(d)(6)(B), Hawaii Revised Statutes, that would have increased the maximum portion of land that could be occupied by a solar energy facility placed on class B or C agricultural lands and deleting references to adjacent parcels and joint development;
- (3) Amending sections 205-2(d)(6)(B) and 205-4.5(a)(20), Hawaii Revised Statutes, to require the entire area, rather than an area in excess of twenty acres, occupied by a solar energy facility to be made available for compatible agricultural activities and to define "agricultural activities";
- (4) Amending section 205-4.5(a)(20), Hawaii Revised Statutes, by deleting the cap on the portion of land that can be occupied by a solar energy facility placed on class B agricultural lands and deleting references to adjacent parcels and joint development;
- (5) Adding a sunset date of July 1, 2020, to allow the Legislature to review the efficacy of the combined use of agriculture and solar energy on agricultural lands proposed by this measure; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2658, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2658, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Ihara, Ruderman, Thielen). Noes, none. Excused, none.

#### **SCRep. 2610 Ways and Means on S.B. No. 2131**

The purpose and intent of this measure is to require the Board of Regents of the University of Hawaii to waive the nonresident tuition and fee differential for veterans of the United States Air Force, Army, Coast Guard, Marine Corps, and Navy who were honorably discharged, regardless of their actual state of residence.

Your Committee received written comments in support of this measure from Veterans of Foreign Wars, two Hawaii Alliance of Student Veterans, and one individual. Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that veterans provide a valuable service to the country and the State and often forego educational opportunities during their service. Your Committee further finds that waiving the nonresident tuition and fee differential at the University of Hawaii for veterans will help to expand veterans' educational opportunities and give them the same opportunity that residents have to access the University's educational resources.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2131, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2131, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

#### **SCRep. 2611 Ways and Means on S.B. No. 2221**

The purpose and intent of this measure is to protect the public from health risks associated with skin tanning equipment.

Specifically, this measure:

- (1) Makes it unlawful for tanning facilities and operators in the State to allow the use of tanning equipment by anyone under the age of eighteen; and

- (2) Requires all tanning facilities and operators in the State to provide written notice and post warning signs regarding health and safety risks associated with ultraviolet light; and to meet certain requirements related to the safe operation of tanning equipment.

Your Committee received written comments in support of the measure from the American Cancer Society Cancer Action Network, Hawaii Skin Cancer Coalition, Aim at Melanoma, and one individual.

Your Committee finds that many physicians and scientists warn that health risks associated with skin tanning include sunburn, premature aging, skin cancer, retinal damage, formation of cataracts, suppression of the immune system, and damage to the vascular system. Statutory requirements on warning signage, operation of tanning equipment, and restriction on use will help protect the public, especially minors, from overexposure to ultra-violet radiation.

Your Committee has amended this measure by:

- (1) Including a definition of “tanning bed”;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2221, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2221, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2612 Ways and Means on S.B. No. 2531**

The purpose and intent of this measure is to establish a Fall Prevention and Early Detection Coordinator position within the Emergency Medical Services and Injury Prevention System Branch of the Department of Health to coordinate the provision of public and private fall prevention and early detection services for the elderly.

The measure also appropriates \$81,985 to establish and fill the Fall Prevention and Early Detection Coordinator position.

One individual submitted written comments in support of this measure.

Your Committee finds that fall prevention is critical to the safety and well-being of the State’s elderly residents, which is the fastest-growing segment of Hawaii’s population. Your Committee also finds that early detection of fall occurrences would reduce medical costs and suffering by expediting treatment, minimizing serious long-term consequences, reducing the extent of injury, and in some instances, avoiding death. Your Committee believes that the Fall Prevention and Early Detection Coordinator position established by this measure will serve as a focal point for statewide injury prevention and detection efforts to ensure multidisciplinary support, coordination of prevention and detection efforts, and continuity of implementation and accountability.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, 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. 2531, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2531, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2613 (Majority) Ways and Means on S.B. No. 2496**

The purpose and intent of this measure is to deter the use of tobacco in Hawaii.

More specifically, this measure:

- (1) Imposes an excise tax equal to eighty-five per cent of the wholesale price of any tobacco product, other than large cigars, sold by a wholesaler or dealer on and after January 1, 2015, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer;
- (2) Requires any subsequent increase in the excise tax rate imposed on cigarettes or little cigars to trigger an automatic excise tax increase on other tobacco products; and
- (3) Requires the moneys collected under the excise tax on tobacco products to be deposited to the credit of the Hawaii cancer research special fund.

Your Committee received written comments in support of this measure from the University of Hawaii Cancer Center, American Cancer Society Cancer Action Network, American Lung Association of the Mountain Pacific, Coalition for a Tobacco-Free Hawaii, Hawaii Primary Care Association, and twenty-two individuals. Written comments in opposition to the measure were received from Black Lava Vape and four individuals. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that tobacco use is the single most preventable cause of disease, disability, and death in the United States. Tobacco products are addictive and inherently dangerous, causing many different types of cancer, heart disease, and other serious illnesses. Therefore, the State has a substantial interest in reducing the number of individuals, especially adolescents, who use tobacco products. Your Committee further finds that tobacco products other than cigarettes are currently taxed at a lower rate than cigarettes, even though their use carries similar health risks. Your Committee believes that raising the tax on tobacco products will encourage tobacco users to quit, sustain cessation, prevent youth initiation, and reduce consumption among those who continue to use tobacco.

Your Committee has amended this measure by:

- (1) Changing the amount of the tax to an unspecified amount; and
- (2) 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. 2496, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2496, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Espero, Kahele). Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2614 Ways and Means on S.B. No. 2477**

The purpose and intent of this measure is to authorize the use of a master certificate of title for common interest communities, which will permit certificates of title for individual units to incorporate by reference the encumbrances on the master certificate of title.

Your Committee received written comments in support of this measure from the Community Association Institute. The Judiciary submitted written comments on the measure.

Your Committee finds that under the current Land Court system, any amendment to the documents governing a condominium or planned community must be noted on the certificate of title for each unit. Your Committee believes that eliminating the need to change the certificate of title for each individual unit to reflect any changes in the encumbrances of general application to the condominium or planned community will simplify and streamline the operation of the Land Court.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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. 2477, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2477, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, Kouchi, Ruderman, Tokuda).

**SCRep. 2615 Ways and Means on S.B. No. 2472**

The purpose and intent of this measure is to require licensure, rather than registration, of occupational therapists and to also require licensure for occupational therapy assistants.

Your Committee received written comments in support of the measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, the Rehabilitation Hospital of the Pacific, the Occupational Therapy Association of Hawaii, the outpatient staff at the Rehabilitation Hospital of the Pacific, and one individual.

Your Committee finds that licensure of occupational therapists and their assistants will provide the highest form of government regulation to protect the health, safety, and welfare of the public.

Your Committee has amended this measure by:

- (1) Changing the penalty amount for violations of the occupational therapy law to an unspecified figure;
- (2) Changing the effective date to July 1, 2050, to facilitate discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2472, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2472, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2616 Ways and Means on S.B. No. 2400**

The purpose and intent of this measure is to establish programs and coordinated efforts to identify emerging and promising agricultural crops and necessary resources to promote new agricultural industries, maximize agricultural uses of state lands and facilities, and prepare and support agricultural entrepreneurs and workers.

Written comments in support were submitted by the Agribusiness Development Corporation, the University of Hawaii System, the Hawaii Farm Bureau Federation, the Wahiawa Community and Business Association, and two individuals. Written comments in opposition were submitted by the Hawaii County Council Member representing the Ninth Council District.

Your Committee finds that agriculture is vital to Hawaii's economy and that this measure will create a program to maximize agricultural production and prepare entrepreneurs and workers for the industry's future.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2400, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2400, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2617 Ways and Means on S.B. No. 2442**

The purpose and intent of this measure is to fund construction of affordable rental housing projects, including micro units, family units, and elder housing units, to meet the housing needs of the people of Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; the County of Hawaii Office of Housing and Community Development; the Institute for Human Services; Catholic Charities Hawaii; Hawaii Appleseed Center for Law and Economic Justice; Partners in Care; the Community Alliance for Mental Health; and the Living Life Source Foundation.

Your Committee notes that seventy-five per cent of extremely low income households spend over half their income on rent and that eighty-one per cent of homeless households are single individuals. Your Committee finds that the promotion of small and low cost micro-units for individuals and couples will help create additional affordable housing while freeing up larger units for households with more cohabitating individuals. Your Committee further finds that an appropriation to the Rental Housing Trust Fund will help fulfill Hawaii's need for thirteen thousand affordable rental units by 2016.

Your Committee has amended this measure by:

- (1) Establishing a maximum floor area for a micro unit designation;
- (2) Changing the appropriation to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for purposes of style, 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. 2442, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2442, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2618 Ways and Means on S.B. No. 2435**

The purpose and intent of this measure is to give preference to using any moneys deposited into the agricultural development and food security special fund from the environmental response, energy, and food security tax to acquire real property for agricultural production or processing activities.

Your Committee received written comments in support of the measure from one individual. The Department of Agriculture submitted written comments.

Your Committee finds that the Hawaii's overreliance on imported foods has threatened the State's food sustainability and economy. Your Committee also notes that the Legislature has made efforts to ensure that local agriculture has necessary resources, such as access and leases to land, infrastructure, and water. Your Committee believes that by giving a preference for the use of moneys to acquire real property for agricultural production or processing activities, this measure furthers the Hawaii constitution's mandate that the State conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and ensure the availability of agriculturally suitable lands.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2435, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2435, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen, Slom). Noes, none. Excused, 1 (Keith-Agaran).



**SCRep. 2619 Ways and Means on S.B. No. 2279**

The purpose and intent of this measure is to establish a task force to study the feasibility of creating a recycling program for photovoltaic waste and to develop methods to address the expected increase in photovoltaic waste.

Your Committee received written comments in support of the measure from the Hawaii Solar Energy Association and one individual. The Department of Health and the Public Utilities Commission submitted written comments on this measure.

Your Committee finds that photovoltaic systems have a useful life of approximately twenty to thirty years. With the recent growth of residential and commercial photovoltaic installations, photovoltaic waste will place a strain on Hawaii's disposal services in the coming decades. Your Committee finds that this measure is a proactive approach to address and develop solutions to a foreseeable problem.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes of style, 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. 2279, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2279, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 2620 Ways and Means on S.B. No. 2292**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds to be expended by the Agribusiness Development Corporation for irrigation infrastructure at the former Galbraith Estate.

Your Committee received written comments in support of this measure from the Agribusiness Development Corporation, the Hawaii Farm Bureau Federation, the Local Food Coalition, and the Land Use Research Foundation of Hawaii. The Department of Budget and Finance submitted written comments on the measure.

Your Committee finds that the State recently acquired large tracts of undeveloped land from the Galbraith Estate for agricultural use. Infrastructure for smaller agricultural operations is now needed.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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 S.B. No. 2292, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2292, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2621 Ways and Means on S.B. No. 2296**

The purpose and intent of this measure is to authorize the Department of Agriculture to select qualified applicants as back-up lessees when disposing of certain agricultural or non-agricultural park lands through the sealed bidding process.

The measure also authorizes the Department of Agriculture to negotiate with or offer leases to back-up lessees if the highest offering lessee fails to finalize a lease or satisfy conditions of the award.

Your Committee received written comments in support of the measure from the Board of Agriculture.

Your Committee finds that the awarding of agricultural leases through sealed bidding is a time-consuming process for the Department of Agriculture. Your Committee further finds that when an awardee fails to finalize a lease, the Department is currently required to restart the sealed bidding process. Your Committee believes that by authorizing the Department to select qualified applicants as back-up lessees, this measure will save the Department significant time and resources in awarding agricultural leases.

Your Committee has amended this measure by:

- (1) Changing the effective date July 1, 2050; 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. 2296, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2296, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2622 (Majority) Ways and Means on S.B. No. 2303**

The purpose and intent of this measure is to increase the fireworks display permit fee, which authorizes licensed pyrotechnicians to conduct outdoor aerial fireworks and indoor fireworks for theatrical purposes, from \$110 to \$300.

Your Committee received written comments in support of this measure from the County of Maui Department of Fire and Public Safety, the Kauai Fire Department, and the Hawaii State Fire Council. Written comments in opposition were received from one individual.

Your Committee finds that the fireworks display permit fee has remained the same for thirteen years, but the cost to process, review, and approve permits has increased. This measure will address the increase in processing costs by raising the fireworks display permit fee.

Your Committee has amended this measure by:

- (1) Changing the permit fee increase to an unspecified amount; and
- (2) Changing its 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. 2303, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2303, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 2623 Ways and Means on S.B. No. 2315**

The purpose and intent of this measure is to make an appropriation to provide substance abuse treatment services to inmates of the Halawa Correctional Facility.

Written comments in support were submitted by the Community Alliance on Prisons, Hawaii Substance Abuse Coalition, and two individuals.

Your Committee finds that many inmates of the Halawa Correctional Facility have substance abuse problems and would benefit from treatment services that are not currently available. This measure appropriates funds to be used to provide the needed treatment services.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum; and
- (2) Changing the effective date to July 1, 2050, 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. 2315, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2315, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2624 (Majority) Ways and Means on S.B. No. 2324**

The purpose and intent of this measure is to establish an annual electric vehicle user fee to help fund the repair and maintenance of state and county roadways.

Your Committee received written comments in support of this measure from the Department of Transportation. The City and County of Honolulu Department of Customer Services submitted written comments in opposition to this measure. The Department of Business, Economic Development, and Tourism; Tax Foundation of Hawaii; and the Alliance of Automobile Manufacturers submitted written comments.

Your Committee finds that fuel taxes are one of the main sources of funding for the repair and maintenance of public roads. A typical gasoline fueled vehicle owner pays approximately \$140 in state and county fuel taxes annually. While owners of electric vehicles also use the roads, they do not purchase gasoline or diesel fuel and, consequently, pay less taxes to repair and maintain public roads. Your Committee finds that imposing an annual electric vehicle user fee and depositing those moneys into the state highway fund will allocate a portion of roadway repair and maintenance costs to electric vehicle owners.

Your Committee has amended this measure by:

- (1) Inserting a new section that amends section 248-8, Hawaii Revised Statutes, to authorize the state highway fund to accept deposits of electric vehicle user fees;
- (2) Changing the amount of the electric vehicle user fee to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of style, 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. 2324, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2324, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Ruderman). Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 2625 Ways and Means on S.B. No. 2346**

The purpose and intent of this measure is to provide funding for various programs that benefit the State's elder population.

Specifically, the measure appropriates moneys for:

- (1) Collaborative programs between health care and social service agencies that support Hawaii's senior citizens; and
- (2) A public education and awareness campaign on long-term care.

Your Committee received written comments in support of this measure from the Executive Office on Aging, the Department of Community Services of the City and County of Honolulu, Office on Aging of the County of Maui, Catholic Charities Hawaii, ILWU Local 142, Aloha United Way, American Council of Life Insurers, AARP, and five individuals.

Your Committee finds that Hawaii's senior citizen population will grow exponentially within the next twenty years. Community-based programs that serve older adults will need to be adequately funded to keep pace with the increase in demand for those programs.

Your Committee further finds that many adults in Hawaii lack sufficient information on long-term care, and as a result, they risk being unprepared for their long-term care needs or those of their family members. Accordingly, your Committee finds that this measure will support community-based programs that serve seniors and efforts to raise public awareness of long-term care issues.

As affirmed by the record of votes of the members 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. 2346, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2626 Ways and Means on S.B. No. 2349**

The purpose and intent of this measure is to establish a pilot program within the Department of Health to provide treatment services to adults with chronic substance abuse problems.

Your Committee received written comments in support of this measure from the Hawaii Substance Abuse Coalition, Community Alliance for Mental Health, and one individual.

Your Committee finds that recent cutbacks in community health services have resulted in dramatic increases in emergency services for individuals with severe substance abuse problems. Your Committee recognizes that a small percentage of consumers of medical services account for a majority of all medical costs, largely due to preventable or inappropriate use of emergency medical care. Your Committee also acknowledges that substance abuse is a leading cause of preventable hospitalization. Your Committee finds that a pilot program to treat adults with chronic substance abuse issues and provide them with support services will reduce the State's long-term medical costs and provide substance-dependent adults with the help they need to become productive members of society.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of style, 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. 2349, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2349, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 2627 Ways and Means on S.B. No. 2350**

The purpose and intent of this measure is to clarify that the amounts received by a contractor of the Patient-Centered Community Care program for the costs or advancement to third party health care providers, pursuant to a contract with the United States Department of Veterans Affairs for the administration of the Patient-Centered Community Care program, are excluded from the state general excise tax.

Your Committee received written comments in support of this measure from TriWest Healthcare Alliance, Inc. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the purpose and mission of the Patient-Centered Community Care program of the United States Department of Veterans Affairs (VA) is to ensure access to high quality, low-cost health care services for veterans. Your Committee believes that this is crucial to ensuring military readiness, national defense, and the safety and welfare of the residents of the State. The VA works with a contractor who will establish and maintain regional networks of health care providers in various regions of the United States by spring of 2014. On behalf of the VA, the contractor will make advances to health care providers, including doctors, hospitals, and other providers, for costs of health care services provided to veterans under the Patient-Centered Community Care program. Using the federal Medicare payment schedule, established by the Centers for Medicare and Medicaid Services, the VA will reimburse the contractor for the costs or advancements made to third party health care providers. Your Committee also finds that some uncertainty may exist about whether the amounts received by a contractor of the Patient-Centered Community Care program for the

cost or advancement to third party health care providers, on behalf of the federal government, are subject to the state general excise tax. Your Committee believes that this measure will clarify that these amounts are exempt from the state general excise tax.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, 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. 2350, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2350, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2628 (Majority) Ways and Means on S.B. No. 2351**

The purpose and intent of this measure is to increase awareness of childhood obesity by requiring health care providers to perform annual body mass index measurements on children and requiring insurers to cover the costs of the procedure.

More specifically, the measure:

- (1) Requires primary physicians and pediatricians to provide an annual body mass index measurement to every patient from age two to eighteen years and anonymously report age and body mass index statistics to the Hawaii Health Information Exchange;
- (2) Requires all individual or group health insurance policies to provide coverage for annual body mass index measurements; and
- (3) Requires all health plan contracts issued or renewed in Hawaii after January 1, 2015, to cover expenses related to body mass index measurements.

Your Committee received written comments in support of this measure from one individual. Written comments on this measure were submitted by the Health Resources Administration, Department of Health.

Your Committee finds that childhood obesity is a serious medical condition that affects many of Hawaii's children and adolescents. Childhood obesity often leads to health problems, such as diabetes, high blood pressure, and high cholesterol. Your Committee further finds that accurate monitoring of a child's body mass index measurement can reduce the risk of childhood obesity and other health-related problems associated with childhood obesity.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2351, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2351, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Kidani). Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 2629 Ways and Means on S.B. No. 2383**

The purpose and intent of this measure is to require a mandatory minimum period of imprisonment without possibility of parole for any person who is convicted for and has a prior conviction or prior convictions for unauthorized entry into a motor vehicle in the first degree.

Your Committee received no written comments on this measure.

Your Committee finds that the unauthorized entry into motor vehicles is a growing problem in Hawaii and that certain communities in Hawaii have been particularly affected. Your Committee further finds that imposing a mandatory minimum period of imprisonment for anyone who is convicted for and has a prior conviction or prior convictions for unauthorized entry into a motor vehicle in the first degree, will help to deter repeat offenders.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2383, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2383, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Ruderman).

**SCRep. 2630 Ways and Means on S.B. No. 2391**

The purpose and intent of this measure is to require the Department of Land and Natural Resources to establish a two-year pilot project in which a working group is convened on the island of Oahu to identify and implement management strategies for the resolution of user conflicts on public recreational lands.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that, as Hawaii's resident and visitor populations have increased, there have been more conflicts over the shared use of public recreational lands. Your Committee further finds that the shared jurisdiction over these public recreational lands often renders single agencies incapable of resolving the conflicts on their own. Your Committee believes that by establishing a working group comprising appropriate state, county, and community representatives, this measure will facilitate the identification of management solutions for the shared use of public recreational lands.

Your Committee has amended this measure by:

- (1) Clarifying that only one working group shall be established pursuant to the measure;
- (2) Clarifying that membership on the working group shall include one representative from each appropriate state and City and County of Honolulu agency that has partial jurisdiction over the subject site and users involved in the conflict; and
- (3) Changing the effective date from July 1, 2014, to July 1, 2050, 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. 2391, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2391, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2631 Ways and Means on S.B. No. 2397**

The purpose and intent of this measure is to require the High Technology Development Corporation (HTDC) to establish an agricultural technology park.

In establishing the agricultural technology park, the HTDC is charged with the following responsibilities:

- (1) Securing investments in agricultural state facilities;
- (2) Providing jobs for rural communities;
- (3) Supporting agricultural tourism; and
- (4) Promoting agricultural products.

Your Committee received written comments in support of this measure from Sugarland Growers and one individual. The Department of Agriculture and the High Technology Development Corporation submitted written comments.

Your Committee finds that an agricultural technology park will encourage agricultural innovation and support businesses in the agriculture industry. Your Committee further notes that the High Technology Development Corporation has requested funding for the resources necessary to establish the technology park.

Accordingly, your Committee has amended this measure by:

- (1) Appropriating an unspecified amount of funds for the establishment of the agricultural technology park;
- (2) Clarifying that the purpose of the agricultural technology park includes building relationships and promoting collaboration between the agricultural and technology sectors to assist farmers and provide them with tools to succeed in the modern world;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion; 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. 2397, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2397, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 2632 Ways and Means on S.B. No. 2906**

The purpose and intent of this measure is to make an appropriation for the University of Hawaii to pay student employee salaries at new or expanded worksites of each university campus.

Your Committee received written comments in support of the measure from the University of Hawaii System and one individual.

Your Committee finds that hiring student workers at universities benefits both the students and the university by allowing students to earn an income while they learn. This measure will increase opportunities for student employment by providing additional funds for student employee salaries at new or expanded university worksites.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2906, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2906, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2633 Ways and Means on S.B. No. 2970**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Biotork Hawaii, LLC, in establishing an operation to convert agricultural crops and by-products to biofuels and feed.

Your Committee received written comments in support of this measure from two individuals. One individual submitted written comments in opposition to this measure. The Department of Budget and Finance and the Department of Agriculture submitted written comments on this measure.

Your Committee finds that energy and livestock feed costs are significant expenses for Hawaii farmers. Providing assistance for Biotork Hawaii, LLC, to implement a facility to convert agricultural crops and by-products to biofuels and high protein feed will help Hawaii advance agricultural and energy initiatives while promoting sustainability and self-sufficiency.

As affirmed by the record of votes of the members 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. 2970, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2634 Ways and Means on S.B. No. 3008**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Anaergia Inc. with the development of facilities for renewable non-fossil fuel energy production on Maui.

Your Committee received written comments in support of this measure from Ulupono Initiative. Written comments in opposition to this measure were received from Zero Waste Campaign Maui and two individuals. Written comments were received from the Department of Budget and Finance.

Your Committee finds that the development of facilities for renewable non-fossil fuel energy production on Maui will contribute to the State's goals of achieving energy independence from sources of oil, encouraging local renewable energy production, creating jobs, and reducing the State's municipal solid waste.

As affirmed by the record of votes of the members 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. 3008, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2635 Ways and Means on S.B. No. 3023**

The purpose and intent of this measure is to appropriate moneys to the Agribusiness Development Corporation for the research, development, and marketing of the breadfruit, commonly known as 'ulu.

Your Committee received written comments in support of this measure from the Department of Agriculture and the Association of Hawaiian Civic Clubs.

The 'ulu has traditionally been a source of subsistence for Hawaii's people. Your Committee finds that with further research on various 'ulu production methods and techniques, 'ulu has the potential to become a major crop in Hawaii and in the mainland market.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 3023, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3023, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2636 Ways and Means on S.B. No. 2934**

The purpose and intent of this measure is to authorize the Public Utilities Commission to establish community-based renewable energy tariffs by which electric utility customers may own portions of a renewable energy facility that sells energy to the utility.

Your Committee received written comments in support of the measure from Hawaiian Electric Company, Blue Planet Foundation, Inter-Island Solar Supply, and one individual. The Department of Commerce and Consumer Affairs Division of Consumer Advocacy, Department of Business, Economic Development, and Tourism, and Public Utilities Commission submitted written comments on the measure.

Your Committee finds that properly designed community-based renewable tariffs have the potential to provide significant energy cost-savings to a large segment of the community that has not been able to directly participate in the clean energy economy.

Your Committee has amended this measure by clarifying that the term tariff applies to a renewable energy facility without respect to the physical siting or interconnection of that renewable energy facility.

As affirmed by the record of votes of the members 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. 2934, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2934, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 2637 (Majority) Ways and Means on S.B. No. 2853**

The purpose and intent of this measure is to clarify the conditions for certification as an adult foster home by specifically prohibiting relationships between caregivers and foster adults by blood, marriage, legal guardianship, or other legal relationship.

This measure also modifies the conditions under which a certified foster boarding home for children may also become a certified adult foster home, to allow foster children to age in place, and prohibits a certified adult foster home from becoming dually certified as a certified foster boarding home.

Your Committee received written comments in support of the measure from the State Council on Developmental Disabilities. The Hawaii Disability Rights Center submitted written comments in opposition to the measure.

Your Committee finds that this measure clarifies the conditions for certification of adult foster homes for individuals with developmental or intellectual disabilities.

Your Committee notes its concern that this measure will prohibit relatives from becoming certified as certified adult foster caregivers for family members with developmental or intellectual disabilities. Your Committee urges that serious consideration be given to permitting family members to become certified adult foster caregivers, by identifying an alternative certification method that ensures family members with developmental disabilities have access to an advocate who can protect the family member's right of self-determination.

Your Committee has amended this measure by:

- (1) Transferring the amendment made to the law relating to the prohibition against a certified adult foster home also becoming a certified foster board home from the chapter governing the Department of Health to the chapter governing the Department of Human Services; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2853, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2853, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9; Ayes with Reservations (Espero, Kaele, Ruderman). Noes, 1 (Slom). Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2638 Ways and Means on S.B. No. 3091**

The purpose and intent of this measure is to address the shortage of primary care providers in the State by appropriating funds for the interdisciplinary Hawaii Health Systems Corporation primary care training program at Hilo Medical Center.

Your Committee received written comments in support of this measure from the Hawaii Health Systems Corporation, Office of the Mayor of the County of Hawaii, Hawaii Medical Association, Hilo Medical Center Foundation, Hawaii Island Healthcare Alliance, Community Alliance for Mental Health, Japanese Chamber of Commerce and Industry, six members of the Hawaii State Teachers Association-Retired -- Hawaii Chapter, and nine individuals.

Your Committee finds that the island of Hawaii continues to face a severe physician shortage. Your Committee further finds that projections suggest that the physician shortage will dramatically worsen in the next five years as many doctors retire from practice. This is expected to create a dire need for more physicians to ensure an adequate level of health care. Your Committee believes that supporting the interdisciplinary Hawaii Health Systems Corporation primary care training program at Hilo Medical Center will allow the program to continue to train new primary care providers and help ease the physician shortage on the island of Hawaii and in rural areas across the State.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) 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. 3091, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3091, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2639 (Majority) Ways and Means on S.B. No. 2074**

The purpose of this measure is to appropriate unspecified amounts, for fiscal years 2013-2015, to fund salary increases, collective bargaining cost items, Hawaii employer-union health benefits trust fund costs, and other cost adjustments for officers and employees within collective bargaining unit (9) (registered professional nurses) and their excluded counterparts.

Your Committee received written comments in support of the measure from the Hawaii Government Employees Association and the University of Hawaii System. The Department of Health and the Department of Budget and Finance submitted written comments on this measure.

Your Committee finds that negotiations for collective bargaining agreements for bargaining unit (9) are currently in progress. This measure provides a legislative vehicle to fund collective bargaining costs for officers and employees in collective bargaining unit (9), along with state officers and employees who are excluded from collective bargaining, but belong to the same compensation plans as those officers and employees in collective bargaining unit (9), if an agreement is reached or an arbitration award is issued prior to the end of the 2014 Regular Session.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of style, 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. 2074, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2074, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 2640 (Majority) Ways and Means on S.B. No. 2075**

The purpose of this measure is to appropriate unspecified amounts for fiscal years 2013-2015, to fund salary increases, collective bargaining cost items, Hawaii Employer-Union Health Benefits Trust Fund costs, and other cost adjustments for officers and employees within collective bargaining unit (14) (state law enforcement officers, and state and county ocean safety and water safety officers) and their excluded counterparts.

Your Committee received written comments in support of the measure from the Hawaii Government Employees Association. The Department of Budget and Finance submitted written comments on this measure.

Your Committee finds that collective bargaining unit (14) has not yet been formed. This measure provides a legislative vehicle to fund collective bargaining costs for officers and employees in collective bargaining unit (14), along with state officers and employees who are excluded from collective bargaining, but belong to the same compensation plans as those officers and employees in collective bargaining unit (14).

As affirmed by the record of votes of the members 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. 2075 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 2641 Ways and Means on S.B. No. 2077**

The purpose and intent of this measure is to appropriate funds for renovation and equipment for the Maui Food Innovation Center, to be located in the former campus cafeteria at the University of Hawaii Maui College.

Your Committee received written comments in support of this measure from the Hawaii Strategic Development Corporation, High Technology Development Corporation, Hawaii Farm Bureau Federation, and Maui County Farm Bureau.

Your Committee finds that establishing the Maui Food Innovation Center would improve the economic stability and capacity of many different food providers in the local community, including farmers, ranchers, and fishermen; agricultural cooperatives; food entrepreneurs; small and mid-sized food companies; retail and food service establishments; Native Hawaiian cultural agriculture; and community food programs, by providing access to research and development, food business planning, quality assurance and food safety, product and process development, and other services not presently available.

Your Committee also finds that the Maui Food Innovation Center will help to further develop the Maui Culinary Academy program at the University of Hawaii Maui College.

Your Committee has amended this measure by:

- (1) Changing the appropriation from \$2,700,000 to an unspecified sum; and
- (2) Changing the effective date to July 1, 2050, 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. 2077, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2077, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).



**SCRep. 2642 Ways and Means on S.B. No. 2081**

The purpose and intent of this measure is to align the salaries of the Administrative Director of the Courts and the Deputy Administrative Director of the Courts with their executive branch counterparts.

Your Committee received written comments in support of this measure from the Judiciary.

Your Committee finds that tying the amount of the Administrative Director of the Courts' salary to the salary of the Administrative Director of the State, and establishing that the Deputy Administrative Director of the Courts' salary shall be ninety-five per cent of the Administrative Director of the Courts' salary is reasonable, since these positions perform similar functions to their executive branch counterparts for a co-equal branch of state government. Your Committee also finds that establishing a method to set the salaries of the Administrative Director of the Courts and the Deputy Administrative Director of the Courts will encourage the hiring and retention of qualified persons in these positions.

Your Committee has amended this measure by:

- (1) Changing the salary of the Deputy Administrative Director of the Courts to be equal to an unspecified percentage of the salary of the Administrative Director of the Courts; and
- (2) Changing the effective date to July 1, 2050, 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. 2081, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2081, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Ruderman).

**SCRep. 2643 (Majority) Ways and Means on S.B. No. 2082**

The purpose and intent of this measure is to clarify that the schedule of fees established in section 501-218(a), Hawaii Revised Statutes, is not intended to be a comprehensive schedule of all fees payable under chapter 501, Hawaii Revised Statutes, relating to Land Court registration.

Specifically, the measure authorizes the Supreme Court of Hawaii, Department of Land and Natural Resources, and Department of Accounting and General Services to revise, amend, add to, or eliminate fees payable under the schedule.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services and the Judiciary.

Your Committee finds that section 501-218, Hawaii Revised Statutes, currently authorizes the Supreme Court of Hawaii to amend or add to the schedule of fees in that section but does not specify how the amendments shall be made. Your Committee believes that this measure clarifies that the Supreme Court of Hawaii, by rule of the court, may revise, amend, add to, eliminate, or prescribe any additional fees under the schedule.

Your Committee has amended this measure by:

- (1) Deleting the provision authorizing the Department of Land and Natural Resources to revise, add to, or eliminate fees payable under the schedule;
- (2) Deleting the provision authorizing the Department of Accounting and General Services to revise, amend, add to, or eliminate fees payable under the schedule;
- (3) Deleting portions of the purpose section that refer to the Departments of Land and Natural Resources and Accounting and General Services to reflect the amended purpose of the measure;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2082, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2082, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (English, Kouchi).

**SCRep. 2644 Ways and Means on S.B. No. 2195**

The purpose and intent of this measure is to require the Department of Taxation, in collaboration with the Department of Business, Economic Development, and Tourism, to submit a joint annual report to the Legislature that relates to renewable energy tax credits.

Specifically, this measure:

- (1) Requires that the report include the number of renewable energy technology properties that have qualified for a renewable tax energy credit, the total cost to the State of renewable energy tax credits, and the estimated economic benefit of renewable energy tax credits; and
- (2) Appropriates moneys to the Department of Taxation and the Department of Business, Economic Development, and Tourism for the costs to prepare and submit the joint report to the Legislature relating to renewable energy tax credits.

Your Committee received written comments in support of this measure from Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, and two individuals. Written comments on this measure were submitted by the Department of Taxation and the Department of Business, Economic Development, and Tourism.

Your Committee finds that in order to effectively evaluate the fiscal impact of tax credits, the Legislature needs a detailed factual report from the Department of Taxation and the Department of Business, Economic Development, and Tourism on the fiscal impact of renewable energy tax credits.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to unspecified sums;
- (2) Requiring the Department of Taxation to submit any proposed legislation to amend this Act to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015;
- (3) Changing the effective date to July 1, 2017, to provide the Department of Taxation with adequate time to implement 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. 2195, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2195, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (English, Keith-Agaran, Kouchi).

**SCRep. 2645 (Majority) Ways and Means on S.B. No. 2196**

The purpose and intent of this measure is to facilitate alternative energy research and production in the State.

Specifically, the measure:

- (1) Re-establishes the energy systems development special fund;
- (2) Increases the amount of the environmental response, energy, and food security tax to be deposited into the environmental response revolving fund, energy security special fund, and agricultural development and food security special fund; and
- (3) Extends various allocations of the environmental response, energy, and food security tax to June 30, 2030.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, Department of Agriculture, Hawaii Natural Energy Institute, Renewable Energy Action Coalition of Hawaii, Blue Planet Foundation, The Nature Conservancy, and two individuals. Your Committee received written comments in opposition to this measure from one individual. The Department of Taxation, Department of Budget and Finance, Department of Health, and the Public Utilities Commission submitted written comments on the measure.

Your Committee finds that this measure will ensure dedicated funding for the State to meet its long-term clean energy goals and support efforts to develop food self-sufficiency and prepare for an environmental response.

Your Committee has amended this measure by:

- (1) Changing the amounts of the environmental response, energy, and food security tax on each barrel to be deposited into the environmental response revolving fund, energy security special fund, and agricultural development and food security special fund, respectively, to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making nonsubstantive technical 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. 2196, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2196, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Keith-Agaran, Kouchi).

**SCRep. 2646 (Majority) Ways and Means on S.B. No. 2222**

The purpose and intent of this measure is to prohibit the sale or distribution of any flavored tobacco products, including menthol tobacco products, within the State.

Your Committee received written comments in support of this measure from the Coalition for Tobacco-Free Hawaii and one hundred sixty-nine individuals. Written comments in opposition were received from the Hawaii Food Industry Association, ABC Stores, Hawaii Smokers Alliance, Hawaii Royal Trading Company, Hawaii Island Cigars Inc., and eighteen individuals. The Department of Health submitted written comments on the measure.

Your Committee finds that flavored tobacco products, including menthol tobacco products, pose a substantial health risk to Hawaii's citizens, particularly children and teenagers.

Your Committee has amended this measure by:

- (1) Adding a definition for “distribute”, “distributes”, and “distribution”;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes 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. 2222, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2222, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2647 Ways and Means on S.B. No. 2248**

The purpose and intent of this measure is to amend Act 82, Session Laws of Hawaii 2003, to make permanent the liability protections provided by warning signs for outdoor recreation on improved public lands.

The measure also extends those same protections to warning signs for dangerous non-natural conditions on unimproved public lands.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources and the Hawaii Government Employees Association. Written comments in opposition were received from the Hawaii Association for Justice.

Your Committee finds that Hawaii is a prime destination for tourists. Your Committee believes that there must be a balance between the responsibilities of recreational users of public lands and the liability limits of the State and counties. Your Committee further finds that the posting of warning signs satisfies the State and a county’s duty to warn the public of dangerous conditions on improved public lands. Your Committee further finds that the same requirements for warning signs should also satisfy the State’s duty to warn of dangerous non-natural conditions on unimproved public lands.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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. 2248, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2248, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2648 Ways and Means on S.B. No. 2035**

The purpose and intent of this measure is to:

- (1) Clarify that the chair, rather than the executive director, will be selected by the members of the Hawaii Health Authority from among their members; and
- (2) Appropriate funds for the operating expenses of the Hawaii Health Authority.

No written comments were received by your Committee on this measure.

Your Committee finds that the mission of the Hawaii Health Authority is the provision of universal health care for Hawaii’s citizens. This measure appropriates funds to support the Authority’s efforts and corrects a technical error in statute regarding the proper title of the head of the Authority.

Your Committee has amended this measure by changing the appropriation to an unspecified amount.

As affirmed by the record of votes of the members 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. 2035, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2035, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2649 Ways and Means on S.B. No. 2042**

The purpose and intent of this measure is to establish the Puerto Rican Exchange Commission (Commission).

The duties of the Commission include:

- (1) Coordinating cultural exchange events between Hawaii and Puerto Rico;
- (2) Recognizing the contributions of the Puerto Rican people to Hawaii; and
- (3) Commemorating the arrival of the first Puerto Ricans to Hawaii.

The measure also appropriates an unspecified amount for developing, planning, and coordinating various programs and events as part of a cultural exchange program with Puerto Rico and for the construction of a monument to commemorate the arrival of the first Puerto Rican people in Hawaii.

Your Committee did not receive written comments on this measure.

Your Committee finds that since the arrival of the first Puerto Ricans in Hawaii on December 23, 1900, their rich culture and proud heritage have contributed to all phases of Hawaii's development. Your Committee believes that by honoring and recognizing the contributions of the Puerto Rican people and their culture to Hawaii, this measure will promote and bring awareness to Hawaii's diverse and multicultural society.

As affirmed by the record of votes of the members 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. 2042 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Kahele, Kouchi).

**SCRep. 2650 Ways and Means on S.B. No. 2045**

The purpose and intent of this measure is to establish and appropriate funds for a two-year colorectal cancer screening awareness pilot program to be administered by the Department of Health in collaboration with the Department of Human Services.

Your Committee received written comments in support of this measure from the American Cancer Society Cancer Action Network, the Hawaii Medical Association, and one individual.

Your Committee finds that a screening program will increase detections of colorectal cancer at an early state, which in turn improves chances for survival and decreases mortality rates.

Your Committee has amended this measure by:

- (1) Clarifying that the contents of the report to the Legislature shall also include the efficacy of the pilot program, as well as fund expenditures;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2045, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2045, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2651 (Majority) Ways and Means on S.B. No. 2054**

The purpose and intent of this measure is to require insurers, mutual benefit societies, and health maintenance organizations to provide coverage for the treatment of autism spectrum disorders up to a maximum benefit of \$50,000 per year and \$300,000 per lifetime, with adjustments for inflation.

Your Committee received written comments in support of this measure from the Department of Health Special Education Advisory Council, Unite HERE Local 5 Hawaii, Kaiser Permanente Hawaii, Hawaii Medical Association, Hawaii Disability Rights Center, Autism Speaks, and fifteen individuals. Your Committee received written comments in opposition to this measure from the Hawaii Medical Service Association and Hawaii Association of Health Plans. Written comments were submitted by the Department of Commerce and Consumer Affairs, Department of Human Services, and two individuals.

Your Committee finds that applied behavior analysis is an effective and medically necessary treatment for autism that is supported by many organizations, including the United States Surgeon General, the American Academy of Pediatrics, and the Autism Society of America. However, many families with autistic children cannot afford the treatments. Your Committee finds that requiring health insurance coverage for autism spectrum disorder treatments will provide children and adults with access to necessary treatments, without unduly burdening families with significantly increased health care costs.

Your Committee has amended this measure by:

- (1) Specifying that the index to be used to adjust the maximum benefit for inflation is the Consumer Price Index for urban Honolulu;
- (2) Removing the requirement that insurers include as many board certified behavior analysts in their provider network as there are qualified licensed psychologists in their network of approved providers of applied behavior analysis;
- (3) Correcting the term "board certified behavior analyst;"\_and
- (4) Making technical nonsubstantive amendments for purposes of style, 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. 2054, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2054, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2652 Ways and Means on S.B. No. 2056**

The purpose and intent of this measure is to extend the sunset date of the Hospital Sustainability Program established by Act 217, Session Laws of Hawaii 2012.

The measure also:

- (1) Updates the referral dates relating to the program;
- (2) Exempts the program special fund from the assessment of central services expenses; and
- (3) Appropriates \$50,000,000 out of the program special fund.

The Department of Human Services, Chamber of Commerce of Hawaii, and Hawaii Primary Care Association submitted written comments in support of the measure.

Your Committee finds that under the Hospital Sustainability Program, fees levied on non-governmental hospitals are used to leverage federal funds and increase the reimbursement to hospitals, with a greater benefit to those providing proportionately more services to Medicaid recipients and the uninsured. Your Committee believes that by extending the program, this measure will help improve the sustainability of hospitals in Hawaii and ensure access to health care for Medicaid recipients.

Your Committee has amended this measure by:

- (1) Decreasing the inpatient hospital sustainability fee from 2.365 to 2.175 per cent of net inpatient hospital service revenue;
- (2) Increasing the net outpatient revenue threshold for exemption from outpatient hospital sustainability fees from \$42,500,000 to \$45,000,000;
- (3) Changing to an unspecified sum the amount of direct payments from the Hospital Sustainability Program Special Fund made to private hospitals to cover uncompensated care costs;
- (4) Changing the appropriation to an unspecified sum;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2056, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2056, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2653 Ways and Means on S.B. No. 2058**

The purpose and intent of this measure is to appropriate moneys for the implementation and administration of the Hawaii Health Corps' Hawaii Rural Health Care Provider Loan Repayment Program.

Your Committee received written comments in support of this measure from the Department of Public Safety, the Puna Community Medical Center, the Hawaii Health Systems Corporation, the Hawaii Medical Association, the Hawaii Primary Care Association, the Koolauloa Health Center, and eight individuals.

Your Committee finds that the State's shortage of primary health care providers threatens the health of Hawaii's residents and affects state health care costs. Your Committee also finds that the increasingly high cost of education leads many health care professionals to seek jobs in urban areas that provide higher incomes, which has resulted in rural areas becoming medically underserved. Your Committee believes that by appropriating moneys for the Hawaii Health Corps' Hawaii Rural Health Care Provider Loan Repayment Program, this measure will help ensure that all of Hawaii's people have access to quality health care by encouraging health care professionals to practice in the most underserved areas in the State.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2014, to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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. 2058, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2058, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, Espero, Kouchi, Tokuda).

**SCRep. 2654 (Majority) Ways and Means on S.B. No. 2857**

The purpose and intent of this measure is to strengthen the Electronic Waste and Television Recycling and Recovery Act.

Specifically, this measure establishes recycling obligations for manufacturers of electronic devices and televisions based upon the weight of products sold in the State and imposes penalties for noncompliance with recycling obligations and recycling plans.

Your Committee received written comments in opposition of the measure from the Consumer Electronics Association. The Environmental Health Administration of the Department of Health submitted written comments on the measure.

Your Committee finds that this measure will create reasonable goals for manufacturers' recycling programs, ensure reasonably convenient recycling options for the public, and institute penalties for under-performing or non-performing programs.

Your Committee has amended this measure by:

- (1) Changing the penalty amounts to unspecified figures;
- (2) Changing the effective date to July 1, 2050, in order to facilitate further discussion on the 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. 2857, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2857, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (English, Keith-Agaran).

**SCRep. 2655 (Majority) Ways and Means on S.B. No. 2866**

The purpose and intent of this measure is to make an emergency appropriation to the Hawaii Health Systems Corporation for its necessary costs and operations.

Your Committee received no written comments on this measure.

Your Committee finds that the Hawaii Health Systems Corporation requires additional funding to meet the cost of collective bargaining pay raises and unanticipated Medicaid reimbursement cuts. Your Committee also finds that the Hawaii Health Systems Corporation requires additional funding to pay overdue accounts in the Kauai region, as well as to continue to provide quality healthcare services, through its hospitals, without disrupting patient care.

As affirmed by the record of votes of the members 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. 2866, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2656 Ways and Means on S.B. No. 3026**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the design, planning, and construction of the Waimea-Paauilo watershed project.

Your Committee received written comments in support of this measure from the Department of Agriculture and the Ulupono Initiative. One individual submitted written comments in opposition to this measure.

The Waimea-Paauilo watershed is approximately 143,000 acres and is located on the island of Hawaii. Your Committee finds that a major problem with the Waimea-Paauilo watershed is an inadequate water supply caused by insufficient agricultural water storage reservoirs and a faulty water collection system. Your Committee believes that the Waimea-Paauilo watershed project would improve agricultural water management by building a more efficient irrigation and livestock water distribution system. Your Committee also anticipates that crop production would be improved because the project will help alleviate drought conditions on the island of Hawaii.

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 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. 3026, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3026, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 2657 Ways and Means on S.B. No. 3053**

The purpose and intent of this measure is to safely integrate the use of unmanned aerial systems.

Specifically, this measure:

- (1) Establishes an advisory board to oversee and manage unmanned aerial systems test site operations;
- (2) Establishes the Hawaii unmanned aerial systems test site chief operating officer position to manage the operations of the Hawaii unmanned aerial systems test sites and serve on the Pan-Pacific Unmanned Aerial Systems Test Range Complex management team; and
- (3) Appropriates \$470,000 to the University of Hawaii to staff and operate Hawaii's unmanned aerial systems test site activities.

Your Committee received written comments in support of this measure from the Department of Transportation, State of Hawaii Department of Defense, Department of Business, Economic Development, and Tourism, University of Hawaii Research and Innovation, University of Hawaii at Hilo, McDowell Group Study, and two individuals. One individual submitted written comments on the measure.

Your Committee finds that there is a need to safely integrate unmanned aerial systems into national air space and Hawaii offers many unique qualities to support these operations. Your Committee further finds that the Federal Aviation Administration, at the direction of the United States Congress, designated Hawaii, in partnership with Alaska and Oregon, as one of six national unmanned aerial test sites to research and develop unmanned aerial systems operating standards and regulations. Unmanned aerial systems research and development represents an emerging \$70 billion industry that will help launch the next generation of aviation technologies. By establishing a dedicated team to oversee and manage these operations in Hawaii, we will be able to participate as both a major contributor to and beneficiary of this global enterprise.

Your Committee has amended this measure by:

- (1) Exempting the chief operating officer position from the civil service system;
- (2) Changing the appropriation to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 3053, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3053, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2658      Ways and Means on S.B. No. 2810**

The purpose and intent of this measure is to give the Public Utilities Commission more flexibility in the use of funds collected from civil penalties imposed by the Commission in its administration of the State's One Call Center.

Your Committee received written comments in support of this measure from the Public Utilities Commission and the Department of Commerce and Consumer Affairs.

Your Committee finds that the One Call Center is a valuable service to utilities, ratepayers, and the excavating community in Hawaii. The center helps to reduce the possibility of unintended damage to underground facilities, and thereby improving utility service reliability. This measure will allow the Public Utilities Commission more flexibility, and discretionary use, of the collected penalties.

As affirmed by the record of votes of the members 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. 2810 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2659      Ways and Means on S.B. No. 2617**

The purpose and intent of this measure is to appropriate moneys to the State Foundation on Culture and the Arts for the commission of works of art commemorating the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink and to amend existing criteria for the commission of these works of art pursuant to Act 281, Session Laws of Hawaii 2013.

Your Committee received no written comments on this measure.

Your Committee finds that the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink were influential leaders in the development and history of Hawaii, and therefore, they should be honored and remembered through works of art that portray their life, vision, accomplishments, impact, and legacy.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making a technical nonsubstantive amendment for the purpose of 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. 2617, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2617, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2660      Ways and Means on S.B. No. 3082**

The purpose and intent of this measure is to promote manufacturing in Hawaii.

More specifically, this measure establishes a temporary income tax credit for taxpayers who incur certain expenses for manufacturing products in Hawaii.

Your Committee received written comments in support of the measure from the Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation; High Technology Development Corporation; The Chamber of Commerce of Hawaii; Hawaii Farm Bureau Federation; Hawaii Food Industry Association; K. Yamada Distributors; and Meadow Gold Dairies. The Department of Taxation submitted written comments on the measure.

Your Committee finds that there is a need for Hawaii to develop and support its manufacturing industry. This is evidenced by the fact that Hawaii imports over ninety per cent of the products consumed in the State each year. Your Committee also finds that there is a great demand outside the State for products that are made in Hawaii. Your Committee believes that this measure will assist in the development of manufacturing in Hawaii.

Your Committee has amended this measure by:

- (1) Changing the amount of the tax credit and the cap amount to unspecified amounts; and
- (2) 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. 3082, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3082, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 2661 (Majority) Ways and Means on S.B. No. 2840**

The purpose and intent of this measure is to provide flexibility to the Department of Human Services by allowing it to draw from other funds appropriated to the Department to offset budget shortfalls for general assistance benefit payments caused by an increase in the number of general assistance recipients.

The Department of Human Services submitted written comments in support of the measure.

Your Committee finds that under current law, as additional beneficiaries are added to the general assistance program, the monthly payments to each recipient must be reduced or the Department of Human Services must request an emergency appropriation from the Legislature. Your Committee notes that over the past few years, general assistance payments have ranged from \$353 to \$234 per month. Providing the Department of Human Services with the authority to reallocate funds will provide general assistance beneficiaries with a more stable monthly benefit payment without requiring the Department to request an emergency appropriation from the Legislature.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes of style, 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. 2840, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2840, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2662 (Majority) Ways and Means on S.B. No. 2846**

The purpose and intent of this measure is to restore within the Department of Human Services a second Deputy Director position to be in charge of welfare or other functions within the Department as assigned by the Director of Human Services.

The Department of Human Services submitted written comments in support of the measure.

Your Committee finds that the Department of Human Services serves vulnerable and needy adults and children statewide and is responsible for diverse and complex programs. The Department also manages significant federal and state funds and processes a vast amount of information. Your Committee notes that the Department currently has only one Deputy Director because economic difficulties prompted the Legislature in 1994 to eliminate the second Deputy Director position. Your Committee believes that by restoring a second Deputy Director position, this measure will enable the Department to more effectively manage its various programs.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 2846, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2846, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2663 Ways and Means on S.B. No. 2854**

The purpose and intent of this measure is to change the composition of the Neurotrauma Advisory Board.

Specifically, the measure:

- (1) Modifies the composition of the Neurotrauma Advisory Board by decreasing the total number of board members from twenty-one to at least eleven members;



- (2) Allows the Director of Health to appoint up to three state and county representatives whose work relates to neurotrauma to be ex officio, nonvoting members of the board; and
- (3) Removes from the board two members of the Spinal Cord Association and two representatives for persons with stroke, and adds to the board one member representing the American Stroke Association.

This measure also clarifies the requirements of a quorum of the board and valid board actions.

Your Committee received written comments in support of this measure from the American Stroke Association.

Your Committee finds that reducing the number of members on the Neurotrauma Advisory Board will improve its ability to attain quorum on a regular basis and enhance its ability to advise the Department of Health effectively.

As affirmed by the record of votes of the members 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. 2854, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2664 Ways and Means on S.B. No. 2856**

The purpose and intent of this measure is to appropriate moneys into the environmental response revolving fund for response actions and preparedness, including removal and remedial actions, consistent with the purpose of the environmental response revolving fund.

Your Committee received written comments in support of this measure from one individual. Written comments on this measure were submitted by the Department of Health.

Your Committee finds that appropriating moneys to the environmental response revolving fund will ensure that prompt action is taken to deal with hazardous material spills and releases.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2856, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2856, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, Keith-Agaran, Kouchi, Tokuda).

**SCRep. 2665 Ways and Means on S.B. No. 2902**

The purpose and intent of this measure is to increase the efficiency of the motor vehicle inspection program overseen by the Department of Transportation.

Specifically, this measure:

- (1) Expands the authority of the Director of Transportation over required motor vehicle and motor carrier vehicle inspections by allowing the Director to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to adjust the costs for inspections and fees collected from inspection stations;
- (2) Reduces the amount of insurance information required on an inspection certificate;
- (3) Repeals provisions allowing an inspection station to replace an unexpired inspection sticker issued by the station without re-inspecting the vehicle if the sticker was lost, stolen, or destroyed; and
- (4) Repeals provisions establishing the maximum allowable fee for each safety inspection performed.

Your Committee received written comments in support of this measure from the Department of Transportation. The Department of Customer Services of the City and County of Honolulu submitted written comments on the measure.

Your Committee finds that the current system of regulating motor vehicle inspections needs to be improved because legislation is required before inspection fees can be adjusted, and certain insurance information currently required on inspection certificates can instead be stored on computers for easy retrieval. Your Committee further finds that requiring that a vehicle be inspected before an inspection sticker that is lost, stolen, or destroyed can be replaced will help to promote vehicle safety.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2902, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2902, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2666      Ways and Means on S.B. No. 2488**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate the bond revenues for a traffic signal improvement project in Kihei, Maui.

Your Committee received no written comments on the measure.

Your Committee finds that there have been numerous accidents and near-accidents at the intersection of Piilani Highway and Kulanihako'i Street in Kihei, Maui, where the entrance to a new high school is planned. The planning, design, and construction of a traffic signal at this intersection will help ensure safety and prevent future congestion.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum; and
- (2) Changing the effective date to July 1, 2050, 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. 2488, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2488, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2667      Ways and Means on S.B. No. 2447**

The purpose and intent of this measure is to appropriate moneys to the Department of Health for the Comprehensive Breast and Cervical Cancer Control Program.

Your Committee received written comments in support of this measure from the American Cancer Society Cancer Action Network and one individual.

Your Committee finds that the Comprehensive Breast and Cervical Cancer Control Program provides valuable screening for breast and cervical cancer to women in Hawaii. Early diagnosis of breast and cervical cancer can help women to seek the appropriate treatment needed, as well as identify any risk factors that may contribute to breast and cervical cancer.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2447, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2447, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2668      Ways and Means on S.B. No. 2446**

The purpose and intent of this measure is to require the Department of Education to name the new public high school in Kihei, Maui, as established by Act 134, Session Laws of Hawaii, 2013, the "Patsy Takemoto Mink High School" in honor of the late United States Representative Patsy T. Mink.

Your Committee did not receive any written comments on this measure.

Your Committee finds that former United States Representative Patsy T. Mink left an impressive legacy in Hawaii. One of her most notable accomplishments was the spearheading of legislation that would later be known as Title IX of the Education Amendments of 1972, which prohibited discrimination based upon gender in educational programs receiving federal funding. Title IX has provided innumerable educational and athletic opportunities to young women that were not previously available.

Your Committee has amended this measure by:

- (1) Requiring the Board of Education, rather than the Department of Education, to name the new high school in Kihei, Maui after former United States Representative Patsy T. Mink;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2446, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2446, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (English).

**SCRep. 2669 Ways and Means on S.B. No. 2449**

The purpose and intent of this measure is to appropriate funds for the continued funding of Project Kealahou, a program that promotes community-based, individualized services in serving at-risk adolescent girls who have experienced significant trauma in their lives.

Your Committee received written comments in support of this measure from the Behavioral Health Services Administration of the Department of Health, the Judiciary, the Hawaii Youth Services Network, the Community Alliance on Prisons, Family Programs Hawaii, and six individuals.

Your Committee finds that Project Kealahou is a six-year, federally-funded project developed by the Child and Adolescent Mental Health Division of the Department of Health that provides invaluable support services to adolescent girls who have experienced significant trauma in their lives. Your Committee further finds that the federal grant that funds Project Kealahou will be phased out. This measure will allow the project to continue its mission to provide adolescent girls with vital community-based, individualized, culturally and linguistically competent, family-driven, youth-guided, and evidence-based services.

Your Committee has amended this measure by changing:

- (1) The appropriation to an unspecified amount; and
- (2) The effective date to July 1, 2050, 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. 2449, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2449, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2670 Ways and Means on S.B. No. 2236**

The purpose and intent of this measure is to authorize the Executive Office on Early Learning (Office) to enter into agreements with the Department of Education or charter schools to use available classrooms for public preschool classrooms in the State.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning; Department of Human Services; University of Hawaii at Manoa, College of Education; Early Learning Advisory Board; Hawaii P-20; Samuel N. and Mary Castle Foundation; Hawaii Association for the Education of Young Children; PHOCUSED - Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled; Kamehameha Schools; and two individuals.

Your Committee finds that there is a great need for a high-quality preschool program for children and families for whom such a program is not available. Research has shown that investing in high-quality early childhood education will result in higher levels of educational attainment and stronger social and economic well-being. This measure will allow the Executive Office on Early Learning to provide more four-year-olds with access to preschool by using available Department of Education and charter school classrooms.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (2) 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 S.B. No. 2236, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2236, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2671 Ways and Means on S.B. No. 2265**

The purpose and intent of this measure is to appropriate funds to improve the existing public housing stock and increase the supply of available public housing units.

Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority.

Your Committee finds that the Hawaii Public Housing Authority's public housing stock has extensive and growing capital needs that have been under-funded by the United States Department of Housing and Urban Development and that there is a pressing need for additional housing units.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2265, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2265, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2672      Ways and Means on S.B. No. 2266**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and deposit the revenues generated therefrom into the rental housing trust fund and the dwelling unit revolving fund to develop affordable housing and related infrastructure and improvements.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation; the Office of Housing and Community Development; Catholic Charities Hawaii; Hawaii Appleseed Center for Law and Economic Justice; Partners in Care; and one individual. Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that there is a shortage of affordable housing in Hawaii and that providing more affordable housing opportunities will bring stability to Hawaii's financially struggling families.

Your Committee has amended this measure by:

- (1) Changing the bond and appropriation amounts to unspecified sums;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2266, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2266, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2673      Ways and Means on S.B. No. 2756**

The purpose and intent of this measure is to authorize issuance of special purpose revenue bonds to assist Clean Communities, LLC, in financing a project to process sewage to create fuel.

One individual submitted written comments in support of the measure. The Department of Budget and Finance submitted written comments.

Your Committee finds that this measure will assist Clean Communities, LLC, in financing the construction of a facility to process sewage into fuel.

As affirmed by the record of votes of the members 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. 2756, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, Keith-Agaran, Kouchi, Tokuda).

**SCRep. 2674      (Majority) Ways and Means on S.B. No. 2816**

The purpose of this measure is to appropriate \$33,500,000, for fiscal year 2014-2015, to fund employment costs for officers and employees within collective bargaining unit (7) and their excluded counterparts.

Your Committee received written comments in support of the measure from the Hawaii Government Employees Association. The Department of Budget and Finance and the University of Hawaii System submitted written comments on this measure.

Your Committee finds that this measure is necessary to fund employment costs for officers and employees within collective bargaining unit (7), along with their excluded counterparts.

As affirmed by the record of votes of the members 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. 2816, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 2675      Ways and Means on S.B. No. 2727**

The purpose and intent of this measure is to extend the sunset date of Act 46, Session Laws of Hawaii 2012, to provide the Department of Transportation with additional time to continue negotiations, and to reach an agreement, with airport concessionaires on concession agreements that are extended or modified in exchange for revenue-enhancing improvements by the concessionaire.

Your Committee received written comments in support of this measure from the Department of Transportation; Human Services Host; Island Shoppers, Inc.; Airport Concessionaires Committee; Greeters of Hawaii, Ltd.; and Tiare Enterprises, Inc.

Act 46, Session Laws of Hawaii 2012, which expires on July 1, 2014, provides the Department of Transportation with the authority to negotiate with an airport concessionaire an extension or modification of the contract, lease, or permit in exchange for revenue-enhancing improvements made or paid by the concessionaire.

Your Committee finds that a recent Department of Transportation study documented a need for more concession space and the additional revenues that would be generated from concession improvements. The study indicated that Hawaii's public airports are lacking in concession space by as much as forty per cent and that concession revenues are not being maximized. Your Committee

believes that extending the Department of Transportation's authority to negotiate such agreements will result in a mutually beneficial outcome for the State and concessionaires.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2727, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2727, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2676 Ways and Means on S.B. No. 2295**

The purpose and intent of this measure is to appropriate moneys to the Hawaii Association of Conservation Districts to assist with its staffing and operating costs while the districts develop sustainable funding mechanisms.

Your Committee received written comments in support of this measure from the Department of Agriculture, the Department of Land and Natural Resources, the Hawaii Cattlemen's Council, the Hawaii Farm Bureau Federation, and the Maui County Farm Bureau. The Department of Health and the Waiiaka Soil and Water Conservation District submitted written comments on the measure.

Your Committee finds that Hawaii's sixteen soil and water conservation districts have worked in collaboration with partners and government agencies to improve the State's environment and economy through resource conservation and development projects and statewide high school programs. Your Committee also finds that population growth and land use changes have dramatically increased the demand for assistance the districts provide in reviewing each county's grading permits and conservation plans. Your Committee notes that a significant funding mechanism for the districts ceased at the end of 2013, and accordingly, your Committee finds that providing interim funding to enable the districts to continue operating while sustainable funding mechanisms are developed is in the public's best interest.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2295, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2295, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2677 Ways and Means on S.B. No. 2542**

The purpose and intent of this measure is to support Hawaii's goal of meeting the projected number of needed affordable housing units.

More specifically, this measure restores the allocation of conveyance tax revenues to the Rental Housing Trust Fund to fifty per cent.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, Catholic Charities Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Association of REALTORS, Office for Social Ministry of the Catholic Diocese of Honolulu, Partners in Care, PHOCUSED, and three individuals. Your Committee received comments on this measure from the Department of Budget and Finance and the Tax Foundation of Hawaii.

Your Committee finds that Hawaii has a definite, immediate need for affordable rental housing. Your Committee also finds that the Rental Housing Trust Fund was established to provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. In recognition of the need to address the shortfall in affordable rental housing units, the Legislature raised the allocation of the conveyance tax to the Rental Housing Trust Fund to fifty per cent in 2006. However, due to the economic downturn of 2008 to 2010, the allocation to the Rental Housing Trust Fund was reduced to thirty per cent. Your Committee further finds that restoring the allocation to the Rental Housing Trust Fund to fifty per cent of state conveyance tax collections will increase the amount of funds available to build affordable rental housing.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) 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. 2542, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2542, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2678      Ways and Means on S.B. No. 2678**

The purpose and intent of this measure is to appropriate moneys for the Aha Moku Advisory Committee.

Your Committee received written comments in support of this measure from the Aha Moku Advisory Committee.

Your Committee finds that the Aha Moku Advisory Committee was established in 2012 to advise the Department of Land and Natural Resources on issues related to indigenous land and natural resource management techniques. Your Committee notes that the Aha Moku Advisory Committee did not receive any appropriations for fiscal year 2013-2014. Your Committee believes that making an appropriation to the Aha Moku Advisory Committee for fiscal year 2014-2015 will allow it to continue to engage Hawaiian communities and the general public in promoting the sustainability of Hawaii's natural and cultural resources.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum; and
- (2) Changing the effective date to July 1, 2050, 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. 2678, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2678, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2679      Ways and Means on S.B. No. 3090**

The purpose and intent of this measure is to appropriate funds to develop shooting ranges and implement a statewide hunter education program.

Your Committee received written comments in support of this measure from the United Public Workers and two individuals. Written comments on the measure were received from the Department of Land and Natural Resources.

Your Committee finds that a statewide hunter education program and shooting range development will encourage the safe use of firearms.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes for 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 S.B. No. 3090, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3090, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Ruderman). Noes, none. Excused, 1 (Thielen).

**SCRep. 2680      Ways and Means on S.B. No. 3063**

The purpose and intent of this measure is to require the Department of Land and Natural Resources to establish a temporary working group to develop an action plan to preserve natural, cultural, and historic resources in Waipio Valley and identify conservation options for the protection of these resources.

The measure also makes an appropriation for the Department of Land and Natural Resources to purchase land located in Waipio Valley.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that Waipio Valley possesses cultural, historic, and natural resources that are integral to the identity of the State. Your Committee also finds that active management of these resources is necessary to protect them against overuse, invasive species, and other threats to their continued existence. Your Committee believes that the action plan and conservation options developed and identified pursuant to this measure will help enhance public access to and permanent protection of the resources in Waipio Valley.

Your Committee has amended this measure by:

- (1) Clarifying that the Executive Director of the Agribusiness Development Corporation and the President and Chief Executive Officer of the Bernice Pauahi Bishop Museum shall be members of the working group;
- (2) Clarifying that the chairperson of the working group may add members to the working group;
- (3) Clarifying that the working group's identification of conservation options include the purchase of land in Waipio Valley;
- (4) Changing the effective date from July 1, 2014, to July 1, 2050, to facilitate further discussion on the measure; and
- (5) 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. 3063, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3063, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Thielen).

**SCRep. 2681 (Majority) Ways and Means on S.B. No. 2743**

The purpose and intent of this measure is to use a portion of state conveyance tax revenues to replenish the Kahoolawe Rehabilitation Trust Fund to be used for the long-term rehabilitation and maintenance of the Kahoolawe Island Reserve.

Your Committee received written comments in support of this measure from the Department of Planning of the County of Maui, the Kahoolawe Island Reserve Commission, and sixteen individuals. The Department of Land and Natural Resources and the Tax Foundation of Hawaii submitted written comments on this measure.

Your Committee finds that the island of Kahoolawe is one of Hawaii's greatest treasures and the historical and cultural significance of Kahoolawe needs to be preserved and protected. Your Committee further finds that by adding an additional source of revenue, the Kahoolawe Rehabilitation Trust Fund will be adequately funded to ensure the long-term restoration and protection of the island.

Your Committee has amended this measure by:

- (1) Changing the portion of the amount of conveyance tax revenues to be paid into the Kahoolawe Rehabilitation Trust Fund from 10 per cent to an unspecified amount;
- (2) Changing the annual maximum amount of conveyance tax revenue paid into the Kahoolawe Rehabilitation Trust Fund from \$3,500,000 to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes 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. 2743, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2743, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 2 (Kidani, Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2682 (Majority) Ways and Means on S.B. No. 2842**

The purpose and intent of this measure is to make an emergency appropriation to the Department of Human Services to address the budget shortfall in the Medicaid program resulting from a delay in reimbursement.

Your Committee received written comments in support of this measure from the Department of Human Services.

Your Committee finds that the Department of Human Services provided funding and services to the Hawaii Health Connector to develop components of the health insurance exchange to be in compliance with the federal Patient Protection and Affordable Care Act with the understanding that the Hawaii Health Connector would reimburse the Department of Human Services through the Hawaii Health Connector's own federal funds. The current balance outstanding due to the Department of Human Services from the Hawaii Health Connector is \$4,854,037. Your Committee further finds that while the Department of Human Services' loaned funds are encumbered, it is unable to use these funds for its core operations. This measure will provide funds to ensure that the Department of Human Services is able to fund its core operations and continue to serve its beneficiaries.

Your Committee has amended the measure to require that any moneys received by the Department of Human Services from the Hawaii Health Connector as a reimbursement for the loaned funds will lapse to the credit of 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 S.B. No. 2842, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2842, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 2683 Ways and Means on S.B. No. 3064**

The purpose and intent of this measure is to amend the transition process of the Hawaii Health Systems Corporation.

More specifically, this measure:

- (1) Authorizes the Hawaii Health Systems Corporation, a regional system, or a combined regional system of two or more regional systems to transition to a nonprofit hospital corporation incorporated in Hawaii before January 1, 2000;
- (2) Requires the nonprofit hospital corporation to maintain equivalent services in acquired regions for no less than five years; and
- (3) Requires the State to continue to meet all financial obligations to public employees, including all benefits, pensions, and other financial obligations negotiated with public employees' unions before the effective date of this measure.

Your Committee received written comments in support of this measure from the Office of the Mayor of the County of Maui, Hawaii Health Systems Corporation, East Hawaii Regional Board of the Hawaii Health Systems Corporation, West Hawaii Regional Board of

the Hawaii Health Systems Corporation, Kauai Regional Board of the Hawaii Health Systems Corporation, Kona Community Hospital, Kula Hospital and Clinic, Maui Health Leaders, Maui Memorial Medical Center, Maui Memorial Medical Center Medical Staff, and three individuals. Written comments in opposition were received from the Hawaii Government Employees Association. The Department of Budget and Finance and two individuals submitted written comments on the measure.

Your Committee finds that, as currently structured, the Hawaii Health Systems Corporation is neither financially self-sufficient nor able to ensure the long-term delivery of quality health care services to the people of Hawaii, especially those on neighbor islands. Your Committee believes that this measure provides the Hawaii Health Systems Corporation with the flexibility necessary to adapt to the changing health care environment and improve the standard of care in the State.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 3064, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3064, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 2684 Ways and Means on S.B. No. 2118**

The purpose and intent of this measure is to make certain amendments related to campaign spending.

Specifically, this measure:

- (1) Requires a candidate who has agreed to limit expenditures to notify the Office of Elections, rather than the Chief Election Officer, if the candidate exceeds the expenditure limit;
- (2) Repeals a requirement that candidates notify campaign contributors when expenditure limits are exceeded, in relation to certain contributor tax deductions that are no longer available; and
- (3) Repeals a tax deduction provision related to deductions that are no longer available.

Your Committee received written comments in support of this measure from the Office of Elections. The Campaign Spending Commission submitted written comments on the measure.

Your Committee finds that the housekeeping amendments made by the measure will ensure more efficient use of the Chief Election Officer and Office of Elections' staff. In addition, deleting references to tax deductions that are no longer available to taxpayers 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 S.B. No. 2118 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Ruderman).

**SCRep. 2685 Ways and Means on S.B. No. 2817**

The purpose and intent of this measure is to enhance mortgage loan originator licensing laws.

Generally, the measure:

- (1) Repeals licensing exemptions for individuals handling mortgage loans for immediate family members or their own residence;
- (2) Updates requirements for the principal place of business and branch offices of mortgage loan originator companies;
- (3) Makes the failure to satisfy initial licensing requirements a basis for denying, suspending, revoking, declining to renew, or placing conditions on a license;
- (4) Requires mortgage loan originator companies to be open for business during posted business hours at each location, and authorizing the Commissioner of Financial Institutions to conduct an examination or investigation of the company during regular business hours; and
- (5) Makes various housekeeping amendments to clarify and update licensing requirements.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the Secure and Fair Enforcement for Mortgage Licensing Act under chapter 454F, Hawaii Revised Statutes, requires the licensing of mortgage loan originators who are in the business of offering, negotiating, or handling residential mortgage loans. This measure makes various housekeeping amendments to clarify the law and ensure consistency with earlier amendments, while updating other provisions to improve enforcement and enhance consumer protections in residential mortgage transactions.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; 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. 2817, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2817, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2686 Ways and Means on S.B. No. 2920**

The purpose and intent of this measure is to establish and appropriate funds for a little fire ant pilot project to research solutions for addressing the little fire ant threat in the State.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, the County of Hawaii Department of Parks and Recreation, a Hawaii County Council Member, the Maui Invasive Species Committee, and the Hawaii Farm Bureau Federation. Written comments in opposition were received from the Big Island Fisheries Alliance. The Department of Agriculture submitted written comments on the measure.

Your Committee finds that the *Wasmannia auropunctata*, known as the little fire ant, threatens native biodiversity, alters tropical ecosystems, impairs human health, impedes tourism, diminishes agricultural productivity, mars horticulture sales, and accordingly ranks among the world's worst invasive species.

Your Committee further finds that the little fire ant is a primary threat to Hawaii's environment, agriculture, and economy, as well as to the health and way of life of Hawaii's people. Research is needed to assess the long-term impacts of the little fire ant in the State and to ascertain the economic and social benefit from greater public investment in prevention and control.

Your Committee has amended this measure by:

- (1) Clarifying that the County of Hawaii is authorized, but not mandated, to hire, at a minimum, one part-time caretaker II position and two part-time caretaker I positions for the pilot project;
- (2) Changing the appropriation to an unspecified amount; and
- (3) 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. 2920, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2920, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2687 Ways and Means on S.B. No. 2923**

The purpose and intent of this measure is to establish a more efficient mechanism to renew and update health and medical service fees payable under the State's workers' compensation medical fee schedule.

More specifically, this measure:

- (1) Requires the Director of Labor and Industrial Relations to update the workers' compensation medical fee schedule annually;
- (2) Authorizes the Director of Labor and Industrial Relations to establish a workers' compensation medical fee ceiling that exceeds one hundred ten per cent of the fees prescribed in the Medicare Resource Based Relative Value Scale applicable to Hawaii for evaluation and management services;
- (3) Appropriates funds for fiscal year 2014-2015 for two full-time equivalent positions in the Department of Labor and Industrial Relations; and
- (4) Appropriates funds for fiscal year 2014-2015 for the Department of Labor and Industrial Relations to contract for the performance of an analysis of the impact this measure will have on workers' compensation claimants' access to appropriate treatment.

Your Committee received written comments in support of this measure from Hawaii Medical Association, ILWU Local 142, and two individuals. Written comments in opposition were received from The Chamber of Commerce of Hawaii, Hawaii Insurers Council, Hawaiian Electric Company, and Property Casualty Insurers Association of America. The Department of Human Resources Development, Department of Labor and Industrial Relations, City and County of Honolulu Department of Human Resources, and Work Injury Medical Association of Hawaii submitted written comments on the measure.

Your Committee finds that Act 97, Session Laws of Hawaii 2013, required the Auditor to assist the Director of Labor and Industrial Relations in adjusting and periodically reviewing the adequacy of the workers' compensation medical fee schedule. In Auditor's Report No. 13-10, entitled "A Report on Methodology for the Department of Labor and Industrial Relations' Workers' Compensation Medical Fee Schedule," the Auditor made several recommendations to the Legislature, including:

- (1) Authorizing the Director of Labor and Industrial Relations to establish a maximum allowable fee ceiling annually for eligible evaluation and management services;
- (2) Requiring the Department of Labor and Industrial Relations to assess the cost impact and effect on access to medical services attributable to adoption of the methodology recommended by the Auditor;
- (3) Funding department personnel resources in order to implement the methodology recommended by the Auditor; and

- (4) Providing sufficient resources to the Department of Labor and Industrial Relations to hire one or more contractors to perform ongoing analysis on the impact of adopting the methodology recommended by the Auditor.

This measure is intended to implement the recommendations made by the Auditor.

Your Committee has amended this measure by:

- (1) Specifying that the report of the Director of Labor and Industrial Relations shall include an analysis of the cost impact of the 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. 2923, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2923, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Ruderman).

**SCRep. 2688 Ways and Means on S.B. No. 2924**

The purpose and intent of this measure is to increase the maximum allowable balance retained by the public utilities commission special fund at the end of each fiscal year.

Your Committee received written comments in support of this measure from the Public Utilities Commission, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaii Energy Policy Forum, and one individual.

Your Committee finds that this measure will allow the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to fulfill their regulatory oversight duties of public utility companies and help encumber funds for contracts for specialized technical and regulatory services.

As affirmed by the record of votes of the members 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. 2924 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2689 Ways and Means on S.B. No. 2936**

The purpose and intent of this measure is to establish a working group to analyze the capitol district security infrastructure and develop a plan for an integrated camera surveillance system.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services.

Your Committee finds that strategically placed cameras in the capitol district will provide a safe and cost-effective method of increasing security at the state capitol, Washington Place, the Governor's residence, 'Iolani Palace, the Hawaii State Art Museum, the Hawaii State Library, the Kalanimoku and Aliiolani Hale buildings, and the first district court building.

Your Committee has amended this measure by:

- (1) Changing effective date to July 1, 2050, to encourage further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes of style, 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. 2936, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2936, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2690 Ways and Means on S.B. No. 2981**

The purpose and intent of this measure is to promote and encourage innovation and entrepreneurship by amending the Hawaii State Plan to include these ideals.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, Hawaii Strategic Development Corporation, High Technology Development Corporation, and The Chamber of Commerce Hawaii.

Your Committee finds that promoting and encouraging innovation and entrepreneurial activities will benefit the State and its economy by facilitating the creation of new businesses in Hawaii and attracting investment from outside the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2981, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2981, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 2691 Ways and Means on S.B. No. 3024**

The purpose and intent of this measure is to increase financial resources to support conservation and natural resource protection programs in the State.

Specifically, the measure:

- (1) Increases from \$3,000,000 to \$10,000,000 the amount of transient accommodations tax revenues allocated for certain purposes subject to the mutual agreement of the Board of Land and Natural Resources and the Board of Directors of the Hawaii Tourism Authority, in accordance with the Hawaii Tourism Authority strategic plan; and
- (2) Allocates \$5,000,000 of the \$10,000,000 to the Division of Conservation and Resources Enforcement of the Department of Land and Natural Resources.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, the Hawaii Tourism Authority, and The Nature Conservancy. Your Committee received written comments on this measure from the Department of Budget and Finance and the Tax Foundation of Hawaii.

Your Committee finds that the Legislature enacted Act 161, Session Laws of Hawaii 2013, to, among other things, provide a consistent source of funds for Hawaii to effectively market itself in a competitive tourist industry, to maintain tourist attractions, and to enhance the visitor experience. Your Committee also finds that although Act 161 set aside a portion of transient accommodations tax revenues for this purpose, it did not provide the authority to expend these funds.

Your Committee has amended this measure by:

- (1) Specifying that the transient accommodations tax revenues shall be allocated to the special land and development fund, established under section 171-19, Hawaii Revised Statutes, to ensure that the Department of Land and Natural Resources has the authority to expend these funds;
- (2) Changing the dollar amounts of the allocations from transient accommodations tax revenues to unspecified amounts;
- (3) Clarifying that the portion of the transient accommodations tax revenues to be set aside for conservation and resources enforcement shall be allocated to the conservation and resources enforcement special fund, established pursuant to section 199-1.5, Hawaii Revised Statutes;
- (4) Authorizing allocations of transient accommodations tax revenues from the special land and development fund to the:
  - (A) Beach restoration special fund, established pursuant to section 171-156, Hawaii Revised Statutes;
  - (B) State parks special fund, established pursuant to section 184-3.4, Hawaii Revised Statutes;
  - (C) Hawaii Statewide Trail and Access Program, established pursuant to section 198D-2, Hawaii Revised Statutes; and
  - (D) Conservation and resources enforcement special fund, established pursuant to section 199-1.5, Hawaii Revised Statutes;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3024, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3024, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2692 Ways and Means on S.B. No. 2821**

The purpose and intent of this measure is to update various provisions in the Insurance Code that are recommended by the National Association of Insurance Commissioners (NAIC) to ensure the Department of Commerce and Consumer Affairs Insurance Division maintains its NAIC accreditation.

Specifically, the measure adopts revisions to the NAIC's model laws on Credit for Reinsurance Model Act, Standard Valuation Law, Standard Nonforfeiture Law for Life Insurance, and Insurance Holding Company System Regulatory Act.

Your Committee received written comments in support of this measure from the State Insurance Commissioner of the Department of Commerce and Consumer Affairs and USAA.

Your Committee finds that the revisions in this measure are part of the NAIC's Solvency Modernization Initiative, which focuses on key issues, including capital requirements, governance and risk management, group supervision, statutory accounting and financial reporting, and reinsurance. Your Committee further finds that ensuring that the Insurance Division of the Department of Commerce and Consumer Affairs retains its accreditation with the NAIC will allow it to continue to protect consumers in this State.

Your Committee has amended this measure by:

- (1) Clarifying the formatting of section 431:5-307, Hawaii Revised Statutes, the standard valuation law, regarding the variables used in determining the calendar year statutory valuation interest rates for various types of insurance;

- (2) Changing the effective dates from July 1, 2014, and January 1, 2015 to July 1, 2050, and January 1, 2051, respectively, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes 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. 2821, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2821, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2693      Judiciary and Labor on S.B. No. 2094**

The purpose and intent of this measure is to:

- (1) Redefine the offense of computer damage in the first degree as intentionally causing or attempting to cause damage to a critical infrastructure computer;
- (2) Increase the grade of the offense of computer damage in the first degree to a class A felony;
- (3) Redefine the offense of computer damage in the second degree as knowingly causing the transmission of a program, information, code, or command, and thereby knowingly causing damage; or intentionally accessing a computer, computer system, or computer network without authorization, and thereby knowingly causing damage;
- (4) Increase the grade of the offense of computer damage in the second degree to a class B felony;
- (5) Create a new offense of computer damage in the third degree as knowingly accessing a computer, computer system, or computer network without authorization and recklessly causing damage;
- (6) Establish the offense of computer damage in the third degree as a class C felony; and
- (7) Define "critical infrastructure computer".

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Department of the Prosecuting Attorney, County of Maui; and Office of the Prosecuting Attorney, County of Kauai.

Your Committee finds that existing computer damage offenses only apply when a perpetrator uses one computer to damage another computer, such as by hacking or transmitting a computer virus. However, greater protections are needed for critical infrastructure computers, as damage to these computers jeopardize public health, safety, and security, regardless of how the damage occurs. This measure provides a deterrent against intentionally damaging critical infrastructure computers.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2094, 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 (Galuteria, Solomon, Slom).

**SCRep. 2694      Judiciary and Labor on S.B. No. 2097**

The purpose and intent of this measure is to amend the definition of "pen register" to include devices that record or decode impulses that identify the numbers dialed or transmitted through cell phones and other communication devices.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; and Department of the Prosecuting Attorney, County of Maui.

Your Committee finds that the current definition of "pen register", as defined in section 803-41, Hawaii Revised Statutes, was adopted in the 1980s and still refers to numbers dialed on a landline. This measure makes the definition of "pen register" technology neutral and more applicable to current forms of communication, without changing any standards or burdens of proof that law enforcement must satisfy to obtain an order to use pen registers.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2097 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 2695      Judiciary and Labor on S.B. No. 2227**

The purpose and intent of this measure is to:

- (1) Increase access to provider orders for life-sustaining treatment by updating references from "physician orders for life-sustaining treatment" to "provider orders for life-sustaining treatment" throughout chapter 327K, Hawaii Revised Statutes;
- (2) Expand health care provider signatory authority to include advanced practice registered nurses; and
- (3) Correct inconsistencies over terms used to describe who may sign a provider order for life-sustaining treatment form on behalf of a patient.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Hawaii Association of Health Plans, Kokua Mau, The Queen's Health Systems, and seven individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that the use of provider orders for life-sustaining treatment, commonly referred to as POLST, is a holistic method of planning for end-of-life care with a specific set of medical orders to ensure that patients' wishes are honored. Your Committee further finds that expanding signatory authority to include advanced practice registered nurses will promote efficiency, assist with a timely completion of provider orders for life-sustaining treatment for patients, and expand access to health care professionals who may sign provider orders for life-sustaining treatment, which will be highly beneficial for individuals living in rural areas and neighbor islands.

Your Committee finds that existing law allows a patient to designate or disqualify any individual to act as a surrogate to make a health-care decision for the patient under certain conditions. Your Committee notes testimony from an individual who raised concerns that health care providers are currently creating their own written declaration of surrogate forms. As a result, your Committee urges the Department of Health to create a standard written declaration of surrogate form that conforms to section 327E-5(i), Hawaii Revised Statutes, which requires a supervising health-care provider to require a surrogate to provide a written declaration under the penalty of false swearing stating facts and circumstances reasonably sufficient to establish the claimed authority. The inclusion of this language in a standard written declaration of surrogate form increases the accountability of surrogates in making life and death decisions for patients who lack decisional capacity to provide informed consent to or refuse medical treatment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2227 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 2696 Judiciary and Labor on S.B. No. 2329**

The purpose and intent of this measure is to authorize the examiner of drivers to waive the actual demonstration of ability to operate a motor vehicle for any person who has a valid provisional license from another state and who has completed the same requirements for a provisional license in Hawaii.

Your Committee received comments on this measure from the Department of Transportation, Department of Customer Service, City and County of Honolulu, and one individual.

Your Committee finds that every state has enacted provisional driver's license laws. This measure ensures that full faith and credit be given to other states' laws that are comparable to our own laws.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2329, 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 (Solomon, Slom).

**SCRep. 2697 Judiciary and Labor on S.B. No. 2958**

The purpose and intent of this measure is to broaden the protections afforded under the cybersquatting laws by expanding the applicability of determining bad faith under section 481B-23, Hawaii Revised Statutes, and good faith exceptions under section 481B-24, Hawaii Revised Statutes, to individuals and business entities.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that provisions under chapter 481B, part II, Hawaii Revised Statutes, relating to civil liability for bad faith registration of a domain name, determining bad faith intent, and the good faith exception apply only to living persons, rather than to the broader definition of "persons" under chapter 481B, part II, Hawaii Revised Statutes, which includes individuals and business entities. Your Committee further finds that businesses that are victims of online bad faith registration of a domain name have no recourse under this existing chapter. Therefore, this measure changes references from "living person" to "person", thereby ensuring that individuals and business entities are protected from bad faith actors.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2958, 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 (Solomon).

**SCRep. 2698 (Majority) Judiciary and Labor on S.B. No. 2729**

The purpose and intent of this measure is to amend the mobile electronic devices law by:

- (1) Prohibiting the operation of a motor vehicle while using a mobile electronic device held in a person's hand for making or receiving a non-emergency call, texting, or receiving a text message;
- (2) Adding exemptions to the prohibition;
- (3) Amending the penalties for violations;
- (4) Deeming a violation to be a traffic infraction; and

- (5) Making the amendments effective retroactively to May 20, 2013.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Department of Transportation and Police Department of the City and County of Honolulu. Your Committee received comments on this measure from the Judiciary and Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that after the passage of Act 74, Session Laws of Hawaii 2013, which enacted the mobile electronic devices law (codified as section 291C-137, Hawaii Revised Statutes), the Legislature received numerous complaints from the public about the vagueness and ambiguity of the law and the onerous burden on violators to make a court appearance. However, it was never the intent of the Legislature that violators be forced to appear in court rather than allowed to mail in the fine without a court appearance as allowed under chapter 291D, Hawaii Revised Statutes, relating to adjudication of traffic violations. Your Committee further finds that the existing law is fraught with traps for those who use mobile electronic devices in situations that are reasonably within the realm of safe driving. This measure clarifies the mobile electronic devices law.

Your Committee has amended this measure by:

- (1) Deleting from the mobile electronic devices law the exemption for drivers searching for current traffic conditions, accidents, or alternative routes;
- (2) Changing the effective date to upon approval; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2729, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2729, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Gabbard). Excused, 2 (Solomon, Slom).

**SCRep. 2699 Judiciary and Labor on S.B. No. 3122**

The purpose and intent of this measure is to:

- (1) Authorize residential development on certain specified parcels of land owned by the Office of Hawaiian Affairs in Kakaako;
- (2) Require applicants for residential development to hold a public hearing regarding a plan or proposal for residential development in Kakaako and consider all written and oral submissions from the hearing prior to submitting the plan or proposal to the Hawaii Community Development Authority for approval;
- (3) Require the Hawaii Community Development Authority to hold a public hearing and fully consider all written and oral submissions received at the hearings held by the applicant and the Authority prior to approving any plan or proposal for residential development;
- (4) Establish a Kakaako makai association fee and Kakaako makai special account to fund various public services and projects in Kakaako; and
- (5) Exempt the Office of Hawaiian Affairs from section 206E-12, Hawaii Revised Statutes, regarding the dedication of public facilities by developers as a condition of development in Kakaako.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Pana'ewa Hawaiian Homelands Community Association, Hawaiian Affairs Caucus, Native Hawaiian Chamber of Commerce, Iron Workers Stabilization Fund, Aha Moku Advisory Committee, Pearl Harbor Hawaiian Civic Club, Ko'olaupoko Hawaiian Civic Club, Association of Hawaiian Civic Clubs, and sixteen individuals. Your Committee received testimony in opposition to this measure from the Friends of Kewalos, Kaka'ako United, Hawaii's Thousand Friends, and eighty-one individuals. Your Committee received comments on this measure from the Department of the Attorney General and one individual.

Your Committee finds that in Act 15, Session Laws of Hawaii 2012 (Act 15), conferred to the Office of Hawaiian Affairs parcels of land in Kakaako to settle certain claims against the State. According to the Office of Hawaiian Affairs, the parcels of land located in Kakaako Makai were appraised at \$200,000,000. However, existing law prohibits residential development in the Kakaako Makai area. This law was enacted by the Legislature in 2006 in response to community concerns regarding preserving open space. The Office of Hawaiian Affairs testified that it cannot achieve its goals with these current land use restrictions. As a result, this measure exempts the Office of Hawaiian Affairs from the residential development restrictions on certain parcels located in Kakaako Makai in order for the Office of Hawaiian Affairs to realize the full value of these lands.

Your Committee notes the concerns raised in written testimony submitted by the Department of the Attorney General to your Committee and when previously heard by your Committees on Hawaiian Affairs and Economic Development, Government Operations and Housing that this measure raises constitutional concerns regarding special legislation. The Department of the Attorney General recommended that to minimize a constitutional challenge, the language in this measure should specify the parcels of lands as described under Act 15 for the Office of Hawaiian Affairs to use to fulfill its responsibilities under article XII, section 6, of the Hawaii State Constitution and chapter 10, Hawaii Revised Statutes, to better the conditions of native Hawaiians. Furthermore, the Office of Hawaiian Affairs testified that as a state agency, this measure falls under the exception provided under article XI, section 5, of the Hawaii State Constitution because Act 15 transferred lands to and for the use by the Office of Hawaiian Affairs.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Office of Hawaiian Affairs to:

- (A) Add a purpose section to clarify that the Office of Hawaiian Affairs is a state agency with constitutional and statutory mandates, refers to Act 15, and provides a history of the settlement and conveyance of lands;
  - (B) Identify certain parcels of lands in Kakaako for residential development in the same manner as these parcels are identified under Act 15; and
  - (C) Establish a building height limitation for residential development at four hundred feet on parcels identified by tax map key 2-1-15-61 and Lot 1 of File Plan 2471 filed at the Bureau of Conveyances on February 23, 2010;
- (2) Inserting an effective date of July 1, 2050, to encourage 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3122, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3122, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Ihara, Slom). Noes, none. Excused, 1 (Solomon).

**SCRep. 2700 Judiciary and Labor on S.B. No. 2463**

The purpose and intent of this measure is to:

- (1) Provide that the requirement for persons licensed under chapter 444, Hawaii Revised Statutes, to defend a governmental body, or its officers, employees, or agency from claims arising out of the contractor's performance under the contract shall not extend beyond the expiration of the time limitation in section 657-8, Hawaii Revised Statutes; and
- (2) Clarify that no person licensed under chapter 464, Hawaii Revised Statutes, who agrees to defend a governmental body shall be required to defend a governmental body in a lawsuit filed more than ten years beyond the owner's final acceptance of the project, rather than substantial completion of the project.

Your Committee received testimony in support of this measure from the Department of the Attorney General; State Procurement Office; Hawaii Insurers Council; American Society of Civil Engineers; American Council of Engineering Companies of Hawaii; Fukunaga & Associates, Inc.; The Limtiaco Consulting Group; Bow Engineering & Development, Inc.; Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc.; Gray Hong Nojima & Associates, Inc.; Coalition of Hawaii Engineering & Architectural Professionals; ParEn, Inc. dba Park Engineering; Community Planning and Engineering, Inc.; Austin, Tsutsumi & Associates, Inc.; General Contractors Association of Hawaii; Building Industry Association-Hawaii; Subcontractors Association of Hawaii; SSFM International; and one individual. Your Committee received comments on this measure from Insurance Factors and one individual.

Your Committee finds that contracts for public works often include a duty to defend clause, requiring the contractor to defend governmental entities before the contractor's negligence or fault is determined. Public works often involve large risks due to site circumstances, public environmental concerns, and high public usage. Highways and public buildings have necessarily long service lives relative to other services procured, thereby increasing the contractor risk beyond that of other government contracts.

Your Committee further finds that duty to defend clauses in public works contracts are detrimental to design professionals and construction contractors in the long-term because such clauses negatively affect competition for contracts and innovation. While some state and county agencies recognize the negative implications and have removed the duty to defend clauses from contracts for public works, inconsistencies between agencies and departments exist. Therefore, this measure standardizes different contract conditions regarding the duty to defend clause.

Your Committee notes the formation of an informal working group composed of the General Contractors Association of Hawaii, design professionals, Department of the Attorney General, and State Procurement Office to develop language. Your Committee further notes that the language developed by this working group has received support from various stakeholders.

Accordingly, your Committee has amended this measure by adopting the language suggested by the working group to:

- (1) Amend the purpose section to provide further information regarding duty to defend clauses and the consequences these type of clauses have on licensed design professionals and construction contractors;
- (2) Clarify that beginning July 1, 2014, no contract that is entered into by any governmental body with a design professional licensed under chapter 464, Hawaii Revised Statutes, shall require the contractor to defend the governmental body, or its officers, employees, or agency from claims arising out of the contractor's performance under the contract;
- (3) Specify that the requirement for contractors licensed under chapter 444, Hawaii Revised Statutes, to defend a governmental body, or its officers, employees, or agency from claims arising out of the contractor's performance under the contract shall not extend beyond the owner's final acceptance of the project and the contractor's warranty period up to a minimum of one year after final acceptance;
- (4) Require a licensed contractor's duty to defend to also apply to claims arising out of any subcontractor's performance pursuant to the contract; and
- (5) Change the effective date from July 1, 2050, to July 1, 2014.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2463, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2463, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Solomon).

**SCRep. 2701      Judiciary and Labor on S.B. No. 2264**

The purpose and intent of this measure is to enable caregivers to provide competent post-hospital care to their loved ones, at minimal cost to taxpayers, by:

- (1) Allowing a patient the opportunity, upon entry to a hospital, to designate a caregiver;
- (2) Requiring hospitals to notify and meet with the designated caregiver to discuss the patient's plan of care; and
- (3) Requiring hospitals to instruct the designated caregiver in after-care tasks upon a patient's discharge.

Your Committee received testimony in support of this measure from the International Longshore and Warehouse Union, Local 142; AARP Hawaii; Hawaii Alliance for Retired Americans; American Cancer Society Cancer Action Network; Maui County Office on Aging; and eighteen individuals. Your Committee received testimony in opposition to this measure from the Healthcare Association of Hawaii and The Queen's Health Systems. Your Committee received comments on this measure from Hawaii Pacific Health.

Your Committee finds that there are approximately 247,000 unpaid family caregivers in Hawaii that serve as the backbone and support for Hawaii's aging residents and those with physical or cognitive limitations. These caregivers provide services that are valued annually at \$2,000,000,000. In addition, unpaid caregivers help prevent unnecessary hospital readmissions by providing adequate care for their family members and loved ones. Each year, \$17,000,000,000 in Medicare funds is spent on unnecessary hospital readmissions, and Hawaii's hospitals are subject to federal financial penalties due to excessive readmissions.

Your Committee further finds that the role of unpaid caregivers is expanding to include medical and nursing tasks that historically were only provided in hospitals and nursing homes or by home care professionals. The tasks most commonly performed by caregivers are medication management, help with assistive mobility devices, preparing food for special diets, and wound care. This measure recognizes the importance of unpaid caregivers and their need for adequate training and support.

Your Committee notes several concerns that were raised in submitted written testimony regarding mandating hospitals to provide training to caregivers. The Healthcare Association of Hawaii testified that this measure is duplicative because hospitals already have discharge policies and protocols in place that ensure that patients' family members and caregivers receive critical aftercare instructions and information for patients being discharged. However, according to AARP Hawaii, many caregivers have expressed that they received little or no training to perform critical aftercare tasks, which can be a tremendous source of stress for family caregivers. Thus, your Committee believes that while it may be duplicative to mandate hospitals under statute to provide caregiver training and support, further efforts are necessary to provide sufficient caregiving training to facilitate patient recovery.

However, your Committee is concerned that placing caregiver requirements in statute, even if these requirements are permissively phrased in the statute, may impose substantial liability on hospitals under this measure because "[g]enerally, a standard of conduct may be determined by reference to a statute". *Ono v. Applegate*, 62 Haw. 131, 137 (1980). "Even where a legislative enactment contains no express provision that its violation shall result in tort liability, and no implication to that effect, the court may, and in certain types of cases customarily will, adopt the requirements of the enactment as the standard of conduct necessary to avoid liability for negligence". *Ibid.* at p. 138. Thus, while providing immunity to the hospitals and employees against any claims that may arise from this measure, as suggested by AARP Hawaii, may assist in alleviating liability concerns, your Committee believes that it is not possible to provide hospitals with a blanket immunity.

Your Committee further notes the concerns raised by the Healthcare Association of Hawaii and The Queen's Health Systems that this measure may impose significant additional costs on private and public hospitals to meet the personnel and administration costs. Specifically, the Healthcare Association of Hawaii testified that this measure may require the Legislature to make substantial appropriations to ensure that hospitals under the Hawaii Health Systems Corporation meet their obligations under this measure. As such, while your Committee supports caregivers in their efforts to provide competent post-hospital care to their loved ones, this measure merits further discussion as it moves through the legislative process to address the concerns regarding hospital liability and potential increase in personnel and administration costs.

Accordingly, your Committee has amended this measure by:

- (1) Amending the purpose section to:
  - (A) Reflect the unique positions hospitals are in to train lay caregivers and the resulting liability concerns of hospitals that such training may impose; and
  - (B) Recognize that voluntary training of lay caregivers by hospitals helps patients and lay caregivers;
- (2) Clarifying that "caregivers" are "lay caregivers" who are designated by a patient to provide after-care to the patient and may include an individual who has a significant relationship with the patient;
- (3) Permitting, rather than requiring, hospitals to allow patients the opportunity to designate a lay caregiver;
- (4) Allowing, rather than requiring, hospitals to include the designated lay caregiver in the patient's medical record, notify the lay caregiver an unspecified number of hours prior to the patient's transfer or discharge, consult with the lay caregiver about the patient's discharge plan, and instruct the designated lay caregivers in after-care; and
- (5) Adopting language suggested by AARP Hawaii to provide immunity to hospitals and their employees that allow patients the opportunity to designate a lay caregiver.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2264, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2264, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).



**SCRep. 2702      Judiciary and Labor on S.B. No. 2730**

The purpose and intent of this measure is to establish driver's licensing reciprocity privileges between Hawaii and foreign countries under certain conditions and to repeal the current statute regarding the Driver's License Reciprocity Committee.

Your Committee received testimony in support of this measure from the Department of Transportation; Department of Customer Services, City and County of Honolulu; and one individual.

Your Committee finds that as a gateway location between East and West, Hawaii is an international gathering place where people from all over the world migrate to live, work, and attend school. Hawaii residents also migrate to other countries for the same purposes. The ability to drive is critical to the quality of life in Hawaii and in many other countries. This measure facilitates the ability to drive by providing driver's licensing reciprocity with other countries under specified conditions.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of Transportation to:
  - (A) Require a nonresident operator of a vehicle, in order to qualify for reciprocity privileges, to also possess a current and valid international driving permit and driver's license when operating a vehicle on public roadways and to present both to a law enforcement officer upon request; and
  - (B) Insert an effective date of January 1, 2034, to provide time for the Department of Transportation to evaluate, draft, and hold public hearings on administrative rules; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2730, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2730, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Gabbard, Solomon, Slom).

**SCRep. 2703      Public Safety, Intergovernmental and Military Affairs on S.B. No. 2747**

The purpose and intent of this measure is to require the Department of Transportation, Department of Hawaiian Home Lands, and Department of Land and Natural Resources to submit to the counties certain information on parcels located within a subdivision.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Land and Natural Resources, Department of Hawaiian Home Lands, Department of Budget and Fiscal Services of the City and County of Honolulu, and County of Maui Department of Finance.

Your Committee finds that section 264-43, Hawaii Revised Statutes, which exempts the Department of Transportation from county subdivision ordinances in acquiring, subdividing, consolidating, maintaining, and administering the state highway system, poses problems for counties. For example, section 3.48.010(F) of the Maui County Code provides, in pertinent part, "The director [of finance] shall provide for the County maps drawn to appropriate scale, showing all parcels, blocks, lots, or other divisions of land based upon ownership, and their areas or dimensions, numbered or otherwise designated in a systematic manner for convenience of identification, valuation, and assessment." The exemption makes it difficult for Maui County to maintain accurate records of subdivision parcel ownership, since the Department of Transportation is not required to furnish any information to Maui County about parcels that may have been transferred by the Department to private owners or vice versa.

The Department of Hawaiian Home Lands and the Department of Land and Natural Resources pose similar problems as the Department of Transportation to the counties in their respective land transactions in subdivisions.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2747 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 2704      Ways and Means on S.B. No. 3035**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate the bond revenues to plan and accomplish the realignment of Kamehameha Highway mauka of Laniakea Beach on the North Shore of Oahu.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, the Department of Transportation, Kamehameha Schools, and ten individuals.

Your Committee finds that realigning Kamehameha Highway would divert traffic from areas on the North Shore of Oahu that are prone to erosion and heavy pedestrian traffic, thereby alleviating traffic concerns caused by those issues.

As affirmed by the record of votes of the members 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. 3035, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2705 Ways and Means on S.B. No. 2345**

The purpose and intent of this measure is to support and protect the State's elder population by providing funding for the Department of Commerce and Consumer Affairs' investor and related financial education programs targeted to Hawaii's kupuna.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that there is an ongoing and growing need to educate, protect, and inform Hawaii's kupuna on how to make wise choices when investing and how to detect financial fraud. Your Committee further finds that the investor education program within the Department of Commerce and Consumer Affairs' Office of the Securities Commissioner provides valuable information to Hawaii's kupuna to protect and empower them against financial fraud and scams.

As affirmed by the record of votes of the members 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. 2345, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 2706 Ways and Means on S.B. No. 2845**

The purpose and intent of this measure is to authorize the Director of Human Services to appoint and employ certain professional staff, not subject to chapter 76, Hawaii Revised Statutes, if the Director determines that the services to be performed are unique and essential to the execution of the functions of the state medical assistance programs.

Your Committee received written comments in support of this measure from the Department of Human Services. Written comments in opposition were received from the Hawaii Government Employees Association.

Your Committee finds that certain high level managerial and professional staff positions within the state medical assistance programs require exceptional knowledge of complex federal health care regulations, detailed technical and specialized awareness and knowledge of health care trends and different health care delivery systems, the ability to negotiate and discuss program requirements with federal partners at the Centers for Medicare and Medicaid Services, and the ability to provide skilled oversight of program activities. Your Committee also finds that state civil service system requirements make it difficult to recruit qualified individuals with the knowledge and experience required by these positions. Your Committee believes that this measure will provide the Director of Human Services with the flexibility to recruit, hire, and compensate high level managerial and professional staff to manage critical functions of the state medical 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 S.B. No. 2845, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 2707 Ways and Means on S.B. No. 2813**

The purpose and intent of this measure is to allow the Employees' Retirement System to retain or dispose of real estate that it acquires by foreclosure, in enforcement of security, or in satisfaction of debts in the same manner as its other investments in interest in real property.

Your Committee received written comments in support of this measure from the Employees' Retirement System.

Your Committee finds that, under current law, the Board of Trustees of the Employees' Retirement System is required to sell all real estate, other than leasehold interests, that is acquired by foreclosure, in enforcement of security, or in satisfaction of debts within five years after acquisition unless extended by the Governor. With regard to leasehold interests acquired by foreclosure, in enforcement of security, or in satisfaction of debts, the Board is required to sell those interests within one year after acquisition unless extended by the Governor. Your Committee also finds that there are no similar requirements imposed on the Employees' Retirement System's other real estate investments. Your Committee believes that this measure will enable the Board to make long-term plans for affected properties that are necessary for the prudent management of the Employees' Retirement System's real estate portfolio.

As affirmed by the record of votes of the members 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. 2813 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, Kouchi, Ruderman, Tokuda).

**SCRep. 2708 Ways and Means on S.B. No. 3065**

The purpose and intent of this measure is to appropriate funds to investigate the possibility of exchanging state land for certain lands owned by Dole Food Company, Inc. and to pay for the costs of executing the exchange if appropriate state land is found.

Your Committee received written comments in support of this measure from the Trust for Public Land, Hawaii Cattlemen's Council, HARC, Sugarland Growers, Inc., and five individuals. Written comments were received from the Department of Agriculture, Agribusiness Development Corporation, and one individual.

Your Committee finds that it is necessary to protect and preserve the State's agricultural land assets to ensure that future generations have access to locally produced agricultural products. Your Committee further finds that the strengthening of the State's system of preserves, sanctuaries, and refuges is critical, and additional lands suitable for agriculture and preservation should be set aside.

As affirmed by the record of votes of the members 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. 3065, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 2709 Ways and Means on S.B. No. 2510**

The purpose and intent of this measure is to establish a four-year irrigation water conservation best management practices pilot program that requires the Department of Accounting and General Services to implement irrigation water conservation best management practices to improve the efficiency of landscape irrigation installations at state facilities through low cost, practical measures.

The measure also:

- (1) Requires the Department of Accounting and General Services to submit a report to the Legislature; and
- (2) Appropriates an unspecified sum for the implementation of the pilot program.

Your Committee received written comments in support of the measure from the Department of Land and Natural Resources, the Department of Accounting and General Services, and one individual.

Your Committee finds that the best management practices established by the Landscape Industry Council of Hawaii were developed in close consultation with landscape professionals across the State and are recognized nationally as landscape industry standards. Your Committee believes that by implementing best management practices, this measure will help reduce wasted drinking water, reduce run-off, and optimize plant health by applying the correct amount of water.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purpose of 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. 2510, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2510, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (English, Keith-Agaran, Tokuda).

**SCRep. 2710 Ways and Means on S.B. No. 2269**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to enter into a work study program with the Myron B. Thompson School of Social Work at the University of Hawaii at Manoa.

Your Committee received written comments in support of this measure from the Myron B. Thompson School of Social Work at the University of Hawaii at Manoa, the Community Alliance for Mental Health, and one individual.

Your Committee finds that authorizing a partnership between the Hawaii Public Housing Authority and the Myron B. Thompson School of Social Work will create important educational opportunities for public housing residents.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2269, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2269, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 2711 Ways and Means on S.B. No. 2968**

The purpose and intent of this measure is to establish a temporary income tax credit for hotel construction and renovation.

Your Committee received written comments in support of this measure from the Hawaii Tourism Authority, Hawaii Leeward Planning Conference, and Wyndham Vacation Ownership. Written comments in opposition were received from one individual. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that tourism is Hawaii's principal industry, with visitor expenditures estimated to be over \$15,000,000,000 in 2013. Your Committee also finds that, in order to remain competitive with other global destinations, Hawaii must revitalize its aging hotel and resort infrastructure. Your Committee believes that this measure will strengthen Hawaii's economy by encouraging hotel construction and renovation.

Your Committee has amended this measure by:

- (1) Changing the amount of the tax credit to an unspecified amount;
- (2) Requiring that, in order to qualify for the tax credit, construction or renovation costs must be certified by the Department of Business, Economic Development, and Tourism;

- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) 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. 2968, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2968, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2712 Ways and Means on S.B. No. 2742**

The purpose and intent of this measure is to establish the Pacific-Asia Institute for Resilience and Sustainability as a center for studies of environmental sustainability, global leadership, and critical community continuity.

Your Committee received written comments in support of this measure from Hawaiian Telcom. The Department of the Attorney General, the State Office of Planning, and the University of Hawaii Center for Conservation Research and Training submitted written comments on the measure.

Your Committee finds that the Pacific-Asia Institute for Resilience and Sustainability will provide research and training opportunities for future leaders to address the risks to Hawaii and the Pacific-Asia region from natural and man-made hazards and to develop solutions for sustainable economic growth.

Your Committee has amended this measure by changing its 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. 2742, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2742, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2713 (Majority) Ways and Means on S.B. No. 2761**

The purpose and intent of this measure is to encourage public agencies to maintain and repair roads the ownership and jurisdiction of which are in dispute as between the State and a county.

Specifically, this measure:

- (1) Establishes that no action by a state or county agency to maintain or repair a road the ownership or jurisdiction of which is in dispute shall be used to establish the agency's ownership or jurisdiction over the road;
- (2) Authorizes the State to quitclaim ownership of a road to a county; and
- (3) Authorizes the counties to adopt an additional county surcharge on state tax in order to maintain and repair roads the ownership and jurisdiction of which is in dispute and to comply with the Americans with Disabilities Act of 1990, as amended.

Your Committee received written comments in support of the measure from the Department of Transportation. Written comments on the measure were received from the Department of Taxation, Department of Land and Natural Resources, and Tax Foundation of Hawaii.

Your Committee finds that the lack of proper repair and maintenance on public roads the ownership and jurisdiction of which is in dispute as between the State and a county affects the safety of persons traveling over those roads. This measure is necessary because neither the State nor the counties are willing to maintain these roads because the maintenance could be construed as an act of ownership or jurisdiction over the roads.

Your Committee has amended this measure by:

- (1) Providing that the additional county surcharge on state tax cannot become effective unless all three counties that have not adopted the original county surcharge on state tax adopt the additional surcharge and levy the surcharge from the same date;
- (2) Appropriating funds to the Department of Taxation to assist in implementing the additional county surcharge on state tax;
- (3) Moving the new provision on road maintenance from chapter 662, Hawaii Revised Statutes, to part V of chapter 27, Hawaii Revised Statutes;
- (4) Revising the language of the repeal and reenactment of the measure to be consistent with the repeal and reenactment of Act 247, Session Laws of Hawaii 2005;
- (5) Specifying the year "2050" for provisions in the measure with an unspecified year;
- (6) Changing the effective date of the measure to July 1, 2050, to facilitate further discussion; and
- (7) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2761, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2761, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 2714      Ways and Means on S.B. No. 2419**

The purpose and intent of this measure is to require the Stadium Authority to work with certain state agencies to develop a regional plan for a sports-technology district.

The measure also requires the Stadium Authority to report to the Legislature prior to the convening of the Regular Session of 2015.

Your Committee received written comments in support of this measure from The Chamber of Commerce of Hawaii. The High Technology Development Corporation submitted written comments on the measure.

Your Committee finds that other cities have used sports and technology to foster innovation and facilitate economic growth. Your Committee believes that the development of a sports-technology district will secure investments for athletic facilities, provide jobs, and develop workforce housing.

Your Committee has amended this measure by:

- (1) Clarifying that the Stadium Authority shall work with all state agencies that own property within a one-half mile radius of the proposed Aloha Stadium rail station;
- (2) Changing the effective date from upon approval to July 1, 2050, 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. 2419, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2419, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kahele).

**SCRep. 2715      Ways and Means on S.B. No. 2421**

The purpose and intent of this measure is to reestablish interagency working groups to address issues that remain unresolved since the termination of the interagency working groups originally established under Act 51, Session Laws of Hawaii 2004.

Your Committee received written comments in support of the measure from the Department of Accounting and General Services.

Your Committee finds that Act 51, Session Laws of Hawaii 2004, created interagency working groups to develop plans for transferring certain rights, powers, functions, duties, and resources from various state departments to the Department of Education. However, the groups ceased to exist on June 30, 2007, leaving issues unresolved between the Department of Education and two other departments, the Department of Health and the Department of Accounting and General Services.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to facilitate continued discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2421, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2421, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2716      Ways and Means on S.B. No. 2483**

The purpose and intent of this measure is to provide that a condominium association may assess unpaid common fees against a purchaser, in addition to a mortgagee, who purchases a delinquent unit in a judicial or nonjudicial power of sale foreclosure and to clarify terms related to condominium association fiscal matters and liens for assessments.

Written comments in opposition to the measure were received from the Department of Taxation.

Your Committee notes that the term "other purchaser" was inadvertently left out of an amendment made in 2013 to section 514B-146(g), Hawaii Revised Statutes, and should be included in the statute. Your Committee further finds that this measure clarifies that liens for real property taxes, rather than all taxes, owed by a condominium unit owner take priority over a condominium association's assessments and related lien.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2483, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2483, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2717 Ways and Means on S.B. No. 2535**

The purpose and intent of this measure is to address homelessness.

More specifically, this measure:

- (1) Appropriates funds to the Department of Health for substance abuse treatment, mental health support services, and clean and sober housing support services;
- (2) Appropriates funds to the Department of Human Services for a rental assistance program, also known as a shallow subsidy program;
- (3) Appropriates funds to the Department of Human Services to continue administering Housing First programs for chronically homeless individuals and for the Homelessness Prevention and Rapid Re-housing program;
- (4) Appropriates matching funds to the Department of Human Services for the federal Continuum of Care permanent supportive housing programs to provide rental assistance in connection with supportive services;
- (5) Appropriates funds to the Department of Human Services for innovative temporary housing solutions related to the Homeless Assistance Working Group's findings and recommendations;
- (6) Transfers the administrative responsibility over the Homeless Assistance Working Group from the Department of Human Services to the Legislature; and
- (7) Requires the Chairpersons of the Senate and House of Representatives Committees on Human Services to convene the Homeless Assistance Working Group, rather than the Director of Human Services.

Your Committee received written comments in support of this measure from Catholic Charities Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Office for Social Ministry of the Catholic Diocese of Honolulu, Partners In Care, PHOCUSED, and three individuals. Your Committee received written comments on this measure from the Department of Human Services.

Your Committee finds that homelessness continues to be one of the State's most significant and challenging social problems. According to a recent report, fourteen thousand two hundred homeless individuals were served through shelter and outreach programs in fiscal year 2011. Of these individuals, 9,781 resided in the City and County of Honolulu. Your Committee also finds that homeless service providers estimate that six thousand homeless people in the State need shelter each night. Your Committee further finds that homelessness is a complex issue that requires continuous resources and coordinated efforts at all levels. Your Committee believes that this measure provides resources to allow the State to take a multi-faceted approach to addressing homelessness.

Your Committee has amended this measure by:

- (1) Changing the dollar amounts of all appropriations to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) 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. 2535, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2535, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2718 Ways and Means on S.B. No. 2589**

The purpose and intent of this measure is to transfer law enforcement functions and authority related to harbors law enforcement from the Department of Transportation to the Department of Public Safety.

Written comments in support were submitted by the Department of Transportation.

Your Committee finds that consolidating harbor law enforcement functions in the Department of Public Safety and requiring harbor police officers to meet state sheriff qualifications will benefit the State by standardizing skill requirements and increasing professionalism.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2589, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2589, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2719 Ways and Means on S.B. No. 2644**

The purpose and intent of this measure is to appropriate funds as a grant-in-aid to the Hawaii County Fire Department to add an advanced life support ambulance/paramedic unit to serve the Puna District.

Your Committee received written comments in support of this measure from the Hawaii Health Systems Corporation, the Hawaii County Fire Department, the Hawaii County Council Member representing the Fourth Council District, and one individual.

Your Committee finds that the population of Puna has steadily increased over the past decade and is expected to reach approximately seventy-five thousand residents in fifteen years. Your Committee further finds that stationing an ambulance/paramedic unit equipped with advanced life support equipment in the Puna District will benefit the State by protecting public health and safety.

Your Committee has amended this measure by:

- (1) Deleting the language referring to the appropriation as a grant-in-aid;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2644, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2644, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2720 Ways and Means on S.B. No. 2656**

The purpose and intent of this measure is to require, and appropriate funds for, the Public Utilities Commission to conduct a proceeding to address various issues associated with modernizing Hawaii's electrical grid and to report to the Legislature.

This measure also appropriates funds for the Consumer Advocate to represent the interests of all consumers in the proceeding before the Commission.

Your Committee received written comments in support of this measure from the Public Utilities Commission, Inter-Island Solar Supply, Hawaii Solar Energy Association, Renewable Energy Action Coalition of Hawaii, Sunrun, Blue Planet Foundation; RevoluSun, Hawaii PV Coalition, Hawaii Farmers Union United Kona Chapter, Hawaiian Electric Company, SolarCity, Haiku Aina Permaculture Initiative, Kalani Educational Retreat, Sierra Club of Hawaii, and forty-five individuals. Written comments in opposition were received from one individual. The Department of Business, Economic Development, and Tourism and eleven individuals submitted written comments on the measure.

Your Committee finds that requiring the Public Utilities Commission to commence a proceeding and report its findings and recommendations to the Legislature will help to establish procedures for implementation of a modern electrical grid that will enable electric utilities to maintain a stable power supply while allowing more residents to install photovoltaic solar systems.

Your Committee has amended this measure by:

- (1) Deleting the requirement for the Public Utilities Commission to ensure access and rates under this measure through applicable rules, orders, and tariffs;
- (2) Changing the appropriations:
  - (A) From general funds to Public Utility Commission special fund moneys; and
  - (B) To unspecified amounts to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purposes of style, 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. 2656, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2656, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2721 (Majority) Ways and Means on S.B. No. 2731**

The purpose and intent of this measure is to establish a car-sharing vehicle surcharge tax.

Your Committee received written comments in support of this measure from the Department of Transportation, Blue Planet Foundation, Car2go, Sierra Club of Hawaii, and Ulupono Initiative. Written comments in opposition were received from EAN Holdings, LLC. The Department of Taxation, Department of Health, Office of Planning, and Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that car-sharing provides an alternative to vehicle ownership and has the potential to significantly reduce traffic congestion, greenhouse gas emissions, and transportation costs for households and businesses. Your Committee also finds that car-sharing organizations are currently subject to the rental motor vehicle surcharge tax under section 251-2, Hawaii Revised Statutes, which is imposed at a flat daily rate. Your Committee believes this is excessive, given that, unlike traditional car rentals, car-sharing usually involves renting a vehicle by the hour, rather than by the day. This measure is intended to establish a more equitable surcharge tax for car-sharing organizations.

Your Committee has amended this measure by:

- (1) Specifying that the rate of the surcharge tax shall be 50 cents per hour per rental, up to a maximum of \$3 per day;

- (2) Clarifying that a car-sharing organization is a rental motor lessor;
- (3) Deleting the requirements that:
  - (A) The average paid use period for all vehicles provided by a car-sharing organization during any calendar year is four hours or less; and
  - (B) At least sixty per cent of all vehicle rentals made by a car-sharing organization during the prior calendar year be made to residents of Hawaii;
- (4) Changing the registration fee required under section 251-3, Hawaii Revised Statutes, to an unspecified amount;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2731, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2731, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 2722 Ways and Means on S.B. No. 2399**

The purpose and intent of this measure is to establish a geriatric research and technology park to be administered by the Board of Directors of the High Technology Development Corporation.

Your Committee received written comments in support of the measure from one individual. The High Technology Development Corporation submitted written comments.

Your Committee finds that establishing an economic hub for the geriatric industry in central Oahu may attract new businesses and technologies into the area, providing jobs for central Oahu communities. Furthermore, the High Technology Development Corporation is the ideal public agency to develop a geriatric research and technology park, because it has a core competency in technology and manufacturing and has the authority to develop technology parks.

Your Committee has amended this measure by:

- (1) Adding an appropriation of an unspecified amount for the High Technology Development Corporation to develop the geriatric research and technology park;
- (2) Clarifying the name of the adult day care center referenced in the bill as "Aged to Perfection";
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2399, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2399, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Keith-Agaran, Kouchi).

**SCRep. 2723 Ways and Means on S.B. No. 2277**

The purpose and intent of this measure is to enhance government accountability with regard to the timeliness of report submissions to the Legislature.

Specifically, the measure:

- (1) Requires state agencies to provide prior written notice to the Legislature if an agency is unable to meet the deadline for submitting a report to the Legislature pursuant to law or concurrent resolution;
- (2) Authorizes the Legislature to reduce a state agency's budget if an appropriation was made to assist the agency with a report to the Legislature and the agency fails to submit the report by the deadline or fails to provide notice that the agency cannot meet the deadline; and
- (3) Requires state agencies to provide the Legislature with a detailed list of all reports due to the Legislature one week prior to the due date of the reports.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that state agencies are either required or requested to submit reports to the Legislature pursuant to statutes, budget bill provisions, concurrent resolutions, and other legislation. This measure will help ensure that the Legislature will receive timely notice of forthcoming reports and when a report deadline cannot be met.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; 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. 2277, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2277, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 2724 Ways and Means on S.B. No. 2267**

The purpose and intent of this measure is to appropriate moneys for the construction of micro apartment housing units.

The Hawaii Housing Finance and Development Corporation, County of Hawaii Office of Housing and Community Development, Catholic Charities Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Partners in Care, PHOCUSED, Community Alliance for Mental Health, Living Life Source Foundation, Mental Health America of Hawaii, and one individual submitted written comments in support of this measure.

Your Committee finds that the need to expand the inventory of affordable housing is a serious issue facing the State, and that appropriating moneys for the construction of micro apartment housing units will help meet the demand for additional affordable housing options.

Your Committee has amended this measure by:

- (1) Adding a definition of “micro apartment housing unit”;
- (2) Changing the amount of the appropriation to an unspecified sum;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2267, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2267, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2725 Ways and Means on S.B. No. 2228**

The purpose and intent of this measure is to establish and enhance existing services for the elderly.

Specifically, this measure:

- (1) Establishes and provides funding for a fall prevention and early detection coordinator;
- (2) Exempts the Alzheimer’s disease and related dementia services coordinator from certain hiring requirements;
- (3) Appropriates funds for the Alzheimer’s disease and related dementia services coordinator;
- (4) Appropriates funds for various senior care programs;
- (5) Provides funds for a long-term care education and awareness campaign;
- (6) Establishes and funds an elder justice coordinator position; and
- (7) Establishes and funds a long-term care supports and services system and resource development coordinator position.

Your Committee received written comments in support of this measure from the Policy Advisory Board for Elderly Affairs, Zonta Club of Hilo, AARP, Hawaii Alliance for Retired Americans, Catholic Charities of Hawaii, Aloha United Way, and sixty-two individuals.

Your Committee finds that the elderly in Hawaii are among the State’s most cherished resources and deserve enhanced protections and care. Your Committee further finds that this measure will help to coordinate and increase the efficiency of existing services for the elderly. Your Committee also believes that this measure will raise awareness among the general population of the need to plan for future long-term needs by purchasing long-term care plans and other services.

Your Committee has amended this measure by:

- (1) Changing all appropriations to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of style, 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. 2228, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2228, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 2726 Ways and Means on S.B. No. 2211**

The purpose and intent of this measure is to provide opportunities for youth to access safe places, services, and guidance.

Specifically, this measure:

- (1) Requires the Office of Youth Services of the Department of Human Services to coordinate a five-year Safe Places for Youth pilot program, to coordinate a network of places where youth can be safe and obtain advice, guidance, and access to beneficial programs and services;
- (2) Establishes a Safe Places for Youth Program coordinator position and appropriates moneys for the coordinator position; and
- (3) Establishes rules for allowing minors to consent to enter the program.

Your Committee received written comments in support of the measure from the Office of Youth Services of the Department of Human Services, Partners in Care, PHOCUSED, Blueprint for Change, Hale Opio Kauai Inc., Planned Parenthood of Hawaii, and one individual. Written comments in opposition were submitted by the Hawaii Association for Justice. Written comments were submitted by the Hawaii Youth Services Network.

Your Committee finds that youth in Hawaii are vulnerable to abuse, neglect, domestic violence, bullying, substance abuse, and other threats when they do not have access to safe places and responsible mentors who can provide advice, guidance, and access to beneficial services. Youth need access to safe places where they will not fear being judged, detained, or criminalized as runaways. This measure will create a pilot program to provide the safe places, guidance, and services that many youth in Hawaii need.

Your Committee has amended this measure by:

- (1) Deleting a provision that would immunize service providers from civil and criminal liability;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2211, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2211, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2727 Ways and Means on S.B. No. 2057**

The purpose and intent of this measure is to extend the operation of the nursing facility sustainability program for an additional year.

This measure also exempts the nursing facility sustainability program special fund from departmental administrative expenses and central services expenses assessments.

Your Committee received written comments in support of this measure from the Department of Human Services and Hawaii Primary Care Association.

Your Committee finds that the nursing facility sustainability program has successfully leveraged fees to increase reimbursements to nursing facilities. Your Committee notes that in fiscal year 2012-2013, nursing facilities were assessed \$11,535,405 in sustainability fees and received \$21,086,740 in additional reimbursement. Your Committee finds that continuing the nursing facility sustainability program for an additional year will help to continue increased federal reimbursements to nursing facilities.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to June 30, 2050, to encourage further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of style, 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. 2057, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2057, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 2728 Ways and Means on S.B. No. 2134**

The purpose and intent of this measure is to bring Hawaii's law into compliance with the requirements of the federal Individuals with Disabilities Education Act by allowing exceptional children under the age of twenty-two years to attend public school.

Your Committee received written comments in support of this measure from the Hawaii State Teachers Association and one individual. Your Committee received written comments on this measure from one individual.

Your Committee finds that Hawaii's current law regarding the maximum age of eligibility to attend a public school in Hawaii does not comply with the federal Individuals with Disabilities Education Act. Increasing the maximum age from twenty to twenty-two years will bring Hawaii's law into compliance with the federal Individuals with Disabilities Education Act.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2134, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2134, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2729 Ways and Means on S.B. No. 2110**

The purpose and intent of this measure is to appropriate moneys to the Department of Agriculture for administrative costs related to the regulation of restricted use pesticides and for the hiring of three pesticide inspector positions, including fringe benefits.

Your Committee received written comments in support of this measure from the Kauai County Council Chair, three Kauai County Council members, PAN North America, the Pacific Alliance to Stop Slavery, and nine individuals. Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that there is increasing concern regarding the use of restricted use pesticides by major seed companies. Your Committee further finds that for the Department of Agriculture to properly address concerns regarding the use of restricted use pesticides, additional pesticide inspector positions and funding are needed.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to an unspecified sum;
- (2) Adding language to clarify that the appropriation is for three full-time equivalent pesticide inspector positions;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (4) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2110, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2110, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2730 Ways and Means on S.B. No. 3092**

The purpose and intent of this measure is to appropriate moneys to the University of Hawaii at Hilo to facilitate ongoing efforts to establish an international flight training center and associated aeronautical training programs.

Specifically, the measure appropriates funds for a program coordinator and technical support staff member to complete the necessary planning required for an international flight training center and for associated aeronautical training programs at the University of Hawaii at Hilo and Hawaii Community College, including any necessary planning, designing, and minor repairs to existing facilities at the Hilo International Airport's old cargo terminal for startup and classroom facilities.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, the Department of Defense, the Mayor of the County of Hawaii, a Councilmember of the County of Hawaii, the Department of Research and Development of the County of Hawaii, and four individuals.

Your Committee finds that an international flight training center and associated aeronautical training programs will meet the rising demands of the aviation industry, as well as provide more opportunities for aviation careers in Hawaii. Your Committee further finds that to effectively establish the proposed international flight training center and aeronautical training programs at the University of Hawaii at Hilo and Hawaii Community College, moneys are needed for a program coordinator and technical support staff member to conduct the necessary planning and studies.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 3092, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3092, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2731 Ways and Means on S.B. No. 3093**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii at Hilo to establish staff positions within the 'Imiloa Astronomy Center and to support its memorandum of understanding with the Revealing Individual Strengths for Excellence (RISE) 21st Century After School Program.

Your Committee received written comments in support of this measure from a member of the Hawaii County Council.

Your Committee finds that RISE is a program that helps underprivileged children of Hawaiian ancestry in developing life skills, achieving academic success, and setting career goals. This measure will provide funding and positions at the 'Imiloa Astronomy Center of the University of Hawaii at Hilo to support the University of Hawaii at Hilo's memorandum of understanding with the RISE 21st Century After School Program.

Your Committee has amended this measure by:

- (1) Changing the appropriation for the University of Hawaii at Hilo from \$315,000 to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) 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. 3093, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3093, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2732 Ways and Means on S.B. No. 3095**

The purpose and intent of this measure is to ensure the safety and well-being of workers and patients at the Hawaii State Hospital.

Specifically, this measure requires the designation of a portion of the Hawaii State Hospital as a forensic facility and appropriates moneys to the Department of Health for any necessary expenses resulting from the designation.

Your Committee received written comments in support of this measure from the Department of Public Safety, the Hawaii Government Employees Association, and one individual. The Department of Health and the Hawaii Disability Rights Center submitted written comments on the measure.

Your Committee finds that there are legitimate concerns about the safety of workers and patients at the Hawaii State Hospital, due in large part to a change in patient demographics resulting from court-ordered forensic admissions. Your Committee further finds that designating a portion of the Hawaii State Hospital as a forensic facility would allow the hospital to provide forensic patients with mental health treatment services in an appropriate environment that includes higher security features.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; 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. 3095, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3095, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Dela Cruz, Kahele, Kouchi).

**SCRep. 2733 Ways and Means on S.B. No. 3125**

The purpose and intent of this measure is to require the State Auditor to conduct a financial and management audit of the State Foundation on Culture and the Arts.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services.

Your Committee finds that a financial and management audit of the State Foundation on Culture and the Arts is necessary to ensure transparency and accountability. The State Foundation on Culture and the Arts is responsible for the preservation and furtherance of many of Hawaii's historical and cultural arts. Your Committee believes that the findings and recommendations of a financial and management audit will help the State Foundation on Culture and the Arts pinpoint weaknesses and areas in need of improvement so that it may fulfill its purpose and mission of promoting, perpetuating, preserving, and encouraging culture and the arts, history, and the humanities as central to the quality of life of the people of Hawaii.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 3125, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3125, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2734 Ways and Means on S.B. No. 2579**

The purpose and intent of this measure is to study the needs of psychiatric facility patients and develop a suitable facility.

Specifically, the measure:

- (1) Establishes a task force to study the needs of populations to be served by a new inpatient psychiatric facility and develop a coordinated interagency action plan to implement the needed services; and
- (2) Appropriates funds to address identified gaps in facilities and services by developing a suitable inpatient psychiatric facility in which services can be provided for the mentally ill who need stricter security and for inmates and detainees who need a higher level of mental health care.

Written comments in support were submitted by the Department of Health and the Community Alliance for Mental Health.

Your Committee finds that the State is facing a severe shortage of resources to effectively address the needs of individuals committed to state custody who require strict security and intensive inpatient mental health treatment. Forming a task force to study the needs of patients to be served by a new inpatient psychiatric facility, and appropriating funds to develop a suitable facility, will ensure that patients receive appropriate care and treatment in an environment that ensures the safety of patients and staff.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation shall be for the planning, design, and construction of the facility;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2579, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2579, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2735 Ways and Means on S.B. No. 2583**

The purpose and intent of this measure is to appropriate funds for an engineering assessment of a proposal to establish a laser optical communications ground station in Hawaii.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, National Aeronautics and Space Administration, Pacific International Space Center for Exploration Systems, International Ventures Associates, Shackleton Energy Company, Near Earth LLC, JAMSS America Incorporated, Ferraro Choi and Associates Ltd., and four individuals.

Your Committee finds that this measure will enhance the State's role in the field of laser communications technology, as it could be the home to the first operational laser communications station and would provide high technology job opportunities for both the public and private sectors.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified sum; and
- (2) Changing the effective date to July 1, 2050, 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. 2583, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2583, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2736 Ways and Means on S.B. No. 2585**

The purpose and intent of this measure is to encourage economic growth for the State and further develop the State's emerging aerospace sector.

Specifically, this measure:

- (1) Appropriates funds to the Pacific International Space Center for Exploration Systems to support its administrative and general tasks and strategic program initiatives; and
- (2) Authorizes the issuance of general obligation bonds to support the preliminary development of the Pacific International Space Center for Exploration Systems' research and development park.

Your Committee received written comments in support of this measure from a Hawaii County Council Member; the Pacific International Space Center for Exploration Systems; National Aeronautics and Space Administration; Ferraro Choi and Associates, Ltd.; Shackleton Energy Company, Inc.; JAMSS America, Inc.; Swamp Works at the NASA Kennedy Space Center; International

Ventures Associates; Near Earth, LLC; and five individuals. Written comments on this measure were received from the Department of Business, Economic Development, and Tourism and the University of Hawaii System.

Your Committee finds that the Pacific International Space Center for Exploration Systems has generated considerable interest in applied research and development for planetary surface systems technologies, with participation from the public and private sectors and international organizations. The Pacific International Space Center for Exploration Systems continues to explore and pursue research and development programs for planetary surface system technologies in several strategic areas, stimulate economic growth, and promote the establishment and growth of new sustainable and green industries. Your Committee believes that this measure will advance the State's leadership in the aerospace sector and promote the development of technologies that will expand and diversify economic and workforce opportunities throughout the State.

Your Committee has amended this measure by:

- (1) Changing the appropriation from general revenues to an unspecified amount;
- (2) Changing the amount of general obligation bonds to be issued and proceeds to be appropriated to unspecified amounts;
- (3) Changing the effective date from July 1, 2014, to July 1 2050, to facilitate further discussion on the measure; and
- (4) 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. 2585, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2585, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2737 Ways and Means on S.B. No. 2799**

The purpose and intent of this measure is to authorize the Board of Directors of the Hawaii Housing Finance and Development Corporation to set the salary of the Executive Director of the Hawaii Housing Finance and Development Corporation, not to exceed an unspecified amount.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the salary of the Executive Director of the Hawaii Housing Finance and Development Corporation should be commensurate with the salaries of other executive directors of housing finance agencies nationwide. Your Committee further finds that allowing the Board of Directors of the Hawaii Housing Finance and Development Corporation to set the salary of the Executive Director will enable it to recruit and retain a qualified Executive Director.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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. 2799, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2799, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahale, Kouchi).

**SCRep. 2738 Ways and Means on S.B. No. 2800**

The purpose and intent of this measure is to increase the revenue bond authorization of the Hula Mae multifamily bond program to ensure the development and preservation of affordable rental housing.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; the Hawaii Housing Finance and Development Corporation; the Building Industry Association of Hawaii; and the Hawaii Association of Realtors.

Your Committee finds that the housing and loan mortgage program, familiarly known as the Hula Mae multifamily revenue bond program, has been an effective and widely used financing tool in the development and preservation of affordable rental housing. Since its inception, \$418,244,699 in bonds have been issued to assist in financing over three thousand units in the State. In 2013, there were requests for an additional \$236,284,974 in Hula Mae multifamily bonds authorizations.

Your Committee has amended this measure by:

- (1) Changing the Hula Mae multifamily revenue bond authorization from \$750,000,000 to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) 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. 2800, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2800, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2739 (Majority) Ways and Means on S.B. No. 2876**

The purpose and intent of this measure is to propose an amendment to the state constitution to authorize the State to issue special purpose revenue bonds and so that the bond proceeds may be used to assist owners of dams and reservoirs in maintaining these properties.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Hawaii Farm Bureau Federation, Alexander and Baldwin, and the Chamber of Commerce of Hawaii.

Your Committee finds that dams and reservoirs provide many public benefits as a potential source of irrigation for agriculture, water supply, flood control, hydropower, and other beneficial uses. Dams and reservoirs are a critical part of the State's infrastructure that must be maintained to serve and protect the public.

Your Committee has amended this measure by changing the effective date to July 1, 2050, and making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2876, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2876, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2740 Ways and Means on S.B. No. 2905**

The purpose and intent of this measure is to appropriate funds to the Office of Student Equity, Excellence, and Diversity at the University of Hawaii at Manoa to:

- (1) Fund five part-time graduate assistant and student employee (2.5 FTE) positions to conduct and disseminate research relating to Asian American and Pacific Islander students in higher education; and
- (2) Provide direct services to undergraduate and graduate students interested in diversity careers in student affairs and higher education.

Your Committee received written comments in support of this measure from the University of Hawaii System Vice President for Student Affairs, Office of Student Equity, Excellence, and Diversity at the University of Hawaii at Manoa, Filipinos for Affirmative Action, Nursing Advocates and Mentors, Inc., Filipino Coalition for Solidarity, National Federation of Filipino American Associations Region 12, and nine individuals.

Your Committee finds that research is necessary to address the underrepresentation of Asian Americans and Pacific Islanders in many higher education institutions. Your Committee further finds that providing resources to the Office of Student Equity, Excellence, and Diversity at the University of Hawaii will expand its capacity to address critical issues in higher education and support undergraduate and graduate students interested in diversity careers in student affairs and higher education.

Your Committee has amended this measure by:

- (1) Changing the effective date of this measure to July 1, 2050, to facilitate further discussion on the 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. 2905, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2905, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2741 Ways and Means on S.B. No. 2587**

The purpose and intent of this measure is to provide individuals with access to an alcohol- and drug-free, home-like living environment.

The measure facilitates access to residences that are in compliance with federal, state, and county requirements and minimum standards by:

- (1) Establishing a registry for clean and sober homes within the Department of Health;
- (2) Appropriating funds to establish the registry;
- (3) Amending the statute on county zoning to better align the functions of state and county jurisdictions to comply with federal law; and
- (4) Excluding clean and sober homes from the Residential Landlord-Tenant Code.

Your Committee received written comments in support of the measure from the Hawaii Substance Abuse Coalition. The Behavioral Health Administration of the Department of Health and the Office of Consumer Protection of the Department of Commerce and Consumer Affairs submitted written comments on the measure.

Your Committee finds that this measure supports the State's continued efforts to provide a stable living environment for individuals struggling with substance abuse.

Your Committee has amended this measure by:

- (1) Deleting the provisions excluding clean and sober homes from the Residential Landlord-Tenant Code;
- (2) Changing the effective dates to July 1, 2050, to facilitate further discussion on the 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. 2587, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2587, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2742      Ways and Means on S.B. No. 2544**

The purpose and intent of this measure is to prevent abuse of the Housing Choice Voucher program by prohibiting household members who possess vouchers from adding new members to circumvent the voucher waitlist process.

Your Committee received written comments in support of the measure from the Hawaii Public Housing Authority and Community Alliance for Mental Health.

Your Committee finds that a Housing Choice Voucher does not expire if the recipient remains eligible to receive it. Under existing law, the program also does not prohibit a Housing Choice Voucher recipient from adding new members to their household, thus allowing those new members to continue receiving benefits when the original member passes away or is no longer eligible. Your Committee further finds that this circumvents the waitlist process and results in many families having to wait longer for a voucher than necessary.

Your Committee has amended this measure by:

- (1) Providing that the voucher automatically terminates upon the death or removal from assistance of the last original family member who received the voucher;
- (2) Specifying that for households to retain a voucher in connection with the addition of a minor to the household, the addition must be by birth, adoption, or court order properly reported to the Hawaii Public Housing Authority;
- (3) Providing that the voucher remains valid until the youngest minor reaches the age of twenty-three if the youngest minor is a full-time student; and
- (4) Making technical nonsubstantive amendments for purposes of style, 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. 2544, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2544, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2743      Ways and Means on S.B. No. 2975**

The purpose and intent of this measure is to appropriate funds for the Executive Office on Early Learning to enter into contracts with third party providers for family-child interaction learning programs.

Your Committee received written comments in support of this measure from the Department of Human Services, Executive Office on Early Learning, Hawaii Association of Independent Schools, Good Beginnings Alliance, Institute for Native Pacific Education and Culture, Hawai'i Association for the Education of Young Children, the Early Learning Advisory Board, PHOCUSED, The Chamber of Commerce of Hawaii, and eighty-nine individuals.

Your Committee finds that an equitable early childhood education is critical to the success of our children and the economic future of our State. Family-child interaction learning programs play a critical role in our State by providing a culturally-relevant educational environment for children ranging from birth through preschool. Family-child interaction learning programs not only help to provide Hawaii's keiki with the social and emotional development needed to enter kindergarten, but these programs also emphasize the critical importance of family in the early learning process.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (2) 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. 2975, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2975, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).



**SCRep. 2744 Ways and Means on S.B. No. 2885**

The purpose and intent of this measure is to authorize the Director of Public Safety to appoint, without regard to chapter 76, Hawaii Revised Statutes (civil service), the mental health branch administrator and the mental health section administrators of the Correctional Health Care Program.

Written comments in opposition were received from the Hawaii Government Employees Association.

Your Committee finds that due to the unique nature of the correctional system and the sensitive nature of mental health services, the Director of Public Safety, as the overall administrator of the Correctional Health Care Program, is in the best position to appoint a qualified mental health branch administrator and mental health section administrators.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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. 2885, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2885, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2745 Ways and Means on S.B. No. 2441**

The purpose and intent of this measure is to establish the Resources for Enrichment, Athletics, Culture, and Health (REACH) program and provide funds for its staffing and operation.

Specifically, the measure:

- (1) Statutorily establishes within the Office of Youth Services the REACH program to provide a framework and funding for after-school programs in public middle and intermediate schools;
- (2) Establishes a revolving fund to receive fees and other moneys to be used for administering and operating the program; and
- (3) Appropriates funds for the operation of the REACH program including the hiring of one full-time equivalent (1.0 FTE) position to support the program.

Written comments in support were submitted by the Office of the Lieutenant Governor, the Office of Hawaiian Affairs, the University of Hawaii at Hilo, the Office of Youth Services of the Department of Human Services, the Hawaii Youth Services Network, Reach Out Hawaii, and Oceanic Time Warner Cable. Written comments on the measure were received from the Department of the Attorney General.

Your Committee finds that there is a clear need to provide more opportunities for youth to engage in high-quality after-school programs and activities that keep them focused on learning, counteract negative peer pressures, and make them more likely to graduate and enjoy healthy and productive futures. Establishing the Resources for Enrichment, Athletics, Culture, and Health program, and providing funds for its staffing and operation, will substantially contribute to Hawaii youth reaching these goals.

Your Committee has amended this measure by:

- (1) Specifying how the moneys in the REACH program revolving fund may be used;
- (2) Changing the amounts of the appropriations to unspecified sums;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2441, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2441, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Sлом). Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2746 Ways and Means on S.B. No. 2436**

The purpose and intent of this measure is to establish a transit-oriented development advisory committee to advise and assist the Legislature and state agencies in:

- (1) Creating vibrant communities through public and private partnerships, and investments and incentives for key development projects near transit; and
- (2) Providing support for alternative forms of transportation, such as walking and biking.

The measure also requires the advisory committee to submit an annual report on its activities to state and county entities.

Your Committee received written comments in support of the measure from the Office of Hawaiian Affairs. The Department of Business, Economic Development, and Tourism; and the Department of Planning and Permitting of the City and County of Honolulu submitted written comments.

Your Committee finds that the careful coordination of transit and development is critical in allowing each to optimally enhance the other. Your Committee further finds that transit-oriented development presents the opportunity for the creation of transit-centered communities. Your Committee believes that the transit-oriented development advisory committee established by this measure will assist the State in creating thriving, sustainable communities close to transit.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2436, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2436, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Keith-Agaran, Kouchi).

**SCRep. 2747 Ways and Means on S.B. No. 2425**

The purpose and intent of this measure is to rename and restructure the uses and financing of the Hawaii 3R's school repair and maintenance fund.

More specifically, the measure:

- (1) Renames the Hawaii 3R's school repair and maintenance fund as the Hawaii 3R's school improvement fund;
- (2) Authorizes use of moneys in the fund for school-level improvements; and
- (3) Requires the transfer of certain moneys to the fund.

Your Committee received written comments in support of this measure from the Hawaiian Electric Company.

Your Committee finds that expanding the authorized use of the fund to include school-level improvements, and requiring the transfer of certain moneys to the fund, will clarify and expand the purpose of the fund and facilitate greater improvements to public schools.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2425, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2425, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2748 Ways and Means on S.B. No. 2533**

The purpose and intent of this measure is to appropriate moneys and issue general obligation bonds to improve the quality of existing public and affordable housing stock and increase the supply of affordable and public housing units in the State.

More specifically, the measure:

- (1) Appropriates moneys to the Hawaii Public Housing Authority to improve the existing public housing stock and increase the supply of public housing units in the State;
- (2) Authorizes the issuance of general obligation bonds for deposit into the rental housing trust fund and the dwelling unit revolving fund and appropriates moneys out of those funds for purposes of those funds;
- (3) Appropriates moneys to the Hawaii Housing Finance and Development Corporation for the construction of micro apartment housing units;
- (4) Appropriates moneys to the Department of Hawaiian Home Lands for the construction of housing for beneficiaries on Hawaiian home lands; and
- (5) Appropriates moneys to the Hawaii Housing Finance and Development Corporation to build affordable housing projects for veterans.

Your Committee received written comments in support of this measure from the Department of Hawaiian Home Lands, Hawaii Public Housing Authority, Catholic Charities Hawaii, Hawaii Appleseed Center for Law and Economic Justice, PHOCUSED, and one individual. Written comments on this measure were submitted by the Department of Budget and Finance and the Hawaii Association of REALTORS.

Your Committee finds that there is a shortage of affordable housing within the State. The increasing number of low- and moderate-income households are struggling to find affordable housing. According to the 2011 Hawaii Housing Planning Study, fifty thousand units will need to be built to meet the new demands generated by changing demographics and economic conditions. Your Committee further finds that to meet these demands, an appropriation of moneys to various housing agencies is needed.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to unspecified sums;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2533, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2533, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 2749 Ways and Means on S.B. No. 2526**

The purpose and intent of this measure is to require the Governor, in consultation with the Department of Public Safety, to identify a proposed location for permanent headquarters for the Department of Public Safety Sheriff Division.

Your Committee received no written comments on this measure.

Your Committee finds that this measure takes a necessary step towards constructing a permanent Sheriff Division headquarters that will enable the Sheriff Division to better carry out its duties to protect the health, safety, and welfare of the people in the State.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the proposed headquarters for the Sheriff Division be in a central location; and
- (2) Changing the effective date to July 1, 2050, 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. 2526, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2526, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2750 Ways and Means on S.B. No. 2525**

The purpose and intent of this measure is to establish a Medicaid buy-in program, no later than July 1, 2017, to support the employment of individuals with disabilities while allowing them to retain their Medicaid benefits.

In addition, the measure appropriates \$165,000 for fiscal year 2014-2015 to the University of Hawaii Center on Disability Studies to prepare and conduct outreach and training relating to the Medicaid buy-in program.

Your Committee received written comments in support of this measure from the Hawaii State Rehabilitative Council; Hawaii Disability Rights Center; Community Alliance for Mental Health; Arc of Kona; and two individuals. Written comments were submitted by the Department of Human Services.

Your Committee finds that Hawaii is one of only five states that has not established a Medicaid buy-in program for persons with disabilities. Your Committee further finds that many Medicaid recipients find it difficult to increase their income without disqualifying themselves from Medicaid. Establishing a Medicaid buy-in program will remove disincentives for Medicaid recipients to increase their income while allowing them to pay taxes, draw less benefits overall, and provide a cost savings to the State.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (3) 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. 2525, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2525, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 2751 Ways and Means on S.B. No. 2422**

The purpose and intent of this measure is to allow Department of Education employees to volunteer to administer auto-injectable epinephrine to students in anaphylactic shock; provided that the student's parent or guardian has provided written authorization and certain conditions are met.

The measure also appropriates funds to the Department of Education for instruction, training, and related expenses.

Your Committee received written comments in support of this measure from Walgreens. Written comments on this measure were submitted by Mylan Inc.

The measure requires that prior to any emergency administration of epinephrine via an auto-injectable vaccine can occur at a Department of Education school, the student's parent or guardian must provide the department with written certification from the student's physician or physician assistant, stating that the student has medical orders that epinephrine may be administered by a volunteer. Furthermore, any employee or agent who volunteers to administer epinephrine is required to have received instruction in the proper administration of the drug.

Your Committee finds that a high number of children suffer from some type of allergy. Some allergic reactions, such as anaphylaxis, can be life-threatening and can occur at any time. The administration of an epinephrine injection to treat life-threatening allergic reactions has become an accepted medical practice for children who suffer from major allergic reactions. Your Committee believes that allowing Department of Education employees and their agents to volunteer to administer epinephrine to students in anaphylactic shock is critical to the health and well-being of children while they are attending school.

Your Committee has amended this measure by changing the appropriation amount to an unspecified sum.

As affirmed by the record of votes of the members 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. 2422, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2422, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2752 Ways and Means on S.B. No. 2434**

The purpose and intent of this measure is to enhance services for the prevention and treatment of Alzheimer's disease and related dementia.

Specifically, the measure:

- (1) Specifies the duties and goals of the Alzheimer's disease and related dementia services coordinator; and
- (2) Appropriates funds for a full-time position to assist the Alzheimer's disease and related dementia services coordinator.

Your Committee received written comments in support of the measure from one individual.

Your Committee finds that approximately half of all individuals over the age of eighty-five today experience some form of memory loss. By the year 2025, it is expected that there will be 34,000 people in Hawaii, over the age of sixty-five, who are diagnosed with dementia. Your Committee finds that expanding the role of the Alzheimer's disease and related dementia services coordinator to include responsibilities for coordinating and supporting Alzheimer's disease related efforts, and providing that person with an assistant, will help to address and support individuals who suffer from memory loss diseases.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of style, 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. 2434, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2434, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2753 (Majority) Ways and Means on S.B. No. 3103**

The purpose and intent of this measure is to establish an E911 surcharge of 66 cents on each retail transaction of a prepaid wireless telecommunication service similar to the enhanced 911 surcharge imposed on postpaid wireless communication services.

Your Committee received written comments in support of this measure from the Department of the Attorney General, Department of Accounting and General Services, State of Hawaii Enhanced 911 Board Legislative Committee, City and County of Honolulu Police Department, the County of Maui Police Department, The Wireless Association, Verizon, and AT&T. Written comments in opposition were received from the Hawaii Food Industry Association. The Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee notes that approximately twenty per cent of all wireless consumers use a prepaid wireless service. Yet, despite the prepaid wireless service plans having access to 911 services, the enhanced 911 surcharge is not imposed on these plans. Your Committee finds that this measure will allow Hawaii to join the other thirty-six states that have adopted legislation establishing fair and equitable charges for funding the 911 emergency system.

Your Committee has amended this measure by:

- (1) Changing the prepaid wireless E911 surcharge to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, 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. 3103, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3103, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 2754 Ways and Means on S.B. No. 1038**

The purpose and intent of this measure is to authorize a court to order forfeiture of all or a portion of a public employee's retirement benefits if the public employee is convicted of a felony that is related to the public employee's employment.

This measure also requires the Employees' Retirement System to comply with the court order.

Your Committee received written comments in support of this measure from the Employees' Retirement System.

Your Committee finds that state constitutional protections accorded to accrued benefits from the Employees' Retirement System are the result of a contractual relationship between the public employee and the public employer. Your Committee further finds that this contract is violated by an employment-related felony conviction, and as a result, any constitutional protections for those accrued benefits are lost.

Your Committee has amended this measure by:

- (1) Clarifying, through the placement of the new language in subpart C of part II of chapter 88, Hawaii Revised Statutes, that the forfeiture provisions apply to all three classes of membership in the Employees' Retirement System;
- (2) Clarifying that a forfeiture of retirement benefits is a civil penalty;
- (3) Removing unnecessary language relating to garnishment actions;
- (4) Conforming the scope of the Employees' Retirement System's compliance with the scope of the court's forfeiture order;
- (5) Specifying the circumstances under which a felony is "related to the employment" of a public employee;
- (6) Clarifying that this measure shall not impair or diminish benefits accrued prior to the effective date of this measure;
- (7) Exempting non-forfeitable accrued retirement benefits from this measure; and
- (8) 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. 1038, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1038, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Ruderman).

**SCRep. 2755 Ways and Means on S.B. No. 2322**

The purpose and intent of this measure is to support maritime dependent operators who are being displaced by the Kapalama container terminal project.

More specifically, this measure:

- (1) Establishes a capital infrastructure tax credit for tenants displaced by the Kapalama container terminal project;
- (2) Allows allocations of the capital infrastructure tax credit to a partner under a partnership agreement even if the allocation does not have substantial economic effect;
- (3) Recaptures a portion of the capital infrastructure tax credit if certain conditions are not met at the close of any taxable year; and
- (4) Temporarily reestablishes the technology infrastructure renovation tax credit.

Your Committee received written comments in support of this measure from The Chamber of Commerce of Hawaii, Navatek Ltd., Pacific Marine, Pacific Shipyards International, and sixty-seven individuals. The Department of Commerce and Consumer Affairs, Department of Transportation, Tax Foundation of Hawaii, and one individual submitted written comments on the measure.

Your Committee recognizes that the Kapalama container terminal project is critical to modernizing commercial harbors and that completion of the project will ensure that harbor infrastructure will support sustained economic growth. Your Committee notes that no funds have been set aside to assist displaced maritime and waterfront dependent tenants of the Kapalama site. Your Committee finds that the displaced tenants will be relocated to various piers that have limited infrastructure, facilities, and utilities and that will require significant capital improvement to state-owned land. In light of state support provided for University of Hawaii-related tenants that have been displaced by the Kapalama container terminal project, your Committee believes that it is appropriate to also support the maritime dependent operators in Kapalama who are being displaced by the project.

Your Committee has amended this measure by:

- (1) Deleting language related to reestablishing the technology infrastructure renovation tax credit; and
- (2) 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. 2322, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2322, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 2756 Ways and Means on S.B. No. 2009**

The purpose and intent of this measure is to appropriate funds to provide quality, cost-effective health care for the uninsured, newly uninsured, potential medicaid enrollees, or medicaid enrollees in the State.

Specifically, the measure appropriates funds:

- (1) To the Department of Health to provide direct health care services for the uninsured and underinsured;
- (2) To the Department of Human Services to restore basic adult dental benefits to Medicaid enrollees and to provide outreach and eligibility services for individuals and families at federally qualified health centers;
- (3) To the Department of Health and the Department of Human Services to establish health care homes; and
- (4) To the Department of Health to provide behavioral health services at federally qualified community health centers.

Your Committee received written comments in support of this measure from the Office of the Governor, State of Hawaii State Council on Developmental Disabilities, Hawaii Substance Abuse Coalition, Hana Health, Kokua Kalihi Valley Comprehensive Family Services, Lanai Community Health Center, Ho'ola Lahui Hawaii, Waimanalo Health Center, Koolauloa Health Center, Community Alliance for Mental Health, Waianae Coast Comprehensive Health Center, and one individual. The Department of Human Services, the Department of the Attorney General, the Hawaii Primary Care Association, and the Bay Clinic submitted written comments on the measure.

Your Committee finds that Community Health Centers serve uninsured, underinsured, and low-income patient populations with demographic complexities and co-morbidities. Your Committee further finds that with the implementation of the Patient Protection and Affordable Care Act, it is imperative that Community Health Centers are sufficiently funded and operational to continue providing valuable health care services to those in need.

Your Committee has amended this measure by:

- (1) Changing the references from "health care homes" to "health homes";
- (2) Clarifying that the moneys appropriated from the community health centers special fund to the Department of Health shall be transferred to the Department of Human Services to establish health homes;
- (3) Changing all of the appropriations to an unspecified amount;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive changes 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. 2009, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2009, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 2757 Ways and Means on S.B. No. 2020**

The purpose and intent of this measure is to establish an agricultural foreign-trade zone, including its boundaries, jurisdiction, and benefits.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation, Sugarland Growers, and one individual. Written comments on this measure were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that foreign trade zones are secure areas under the supervision of the United States Customs and Border Protection and are located in or near ports of entry. Foreign trade zones provide the benefit of allowing goods to be placed in the foreign trade zone and thus not be subject to United States duty or excise tax. Furthermore, Customs and Border Protection provides added security for the transfer of goods or merchandise in and out of the foreign trade zones. Your Committee further finds that a foreign trade zone will allow Hawaii's farmers and ranchers to fairly compete with overseas producers.

Your Committee has amended this measure by:

- (1) Recasting the language that explicitly establishes the agricultural foreign-trade zone by authorizing the Governor to do all things necessary to seek federal approval of the agricultural foreign-trade zone, to more accurately reflect the existing foreign-trade zone establishment process;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2020, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2020, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 2758      Ways and Means on S.B. No. 2368**

The purpose and intent of this measure is to grant the Attorney General oversight over charitable assets, regardless of the form in which they are held.

Your Committee received written comments in support of this measure from the Department of the Attorney General and the Commission to Promote Uniform Legislation.

Your Committee finds that this measure codifies section 3 of the Model Protection of Charitable Assets Act (Act), which was adopted by the National Conference of Commissioners on Uniform State Laws. Section 3 of the Act makes clear that the Attorney General represents the public interest in the protection of charitable assets, regardless of the form in which the charitable assets are held. Section 3 also authorizes the Attorney General to enforce the proper application and use of charitable assets and to prevent the waste, diversion, or misuse of charitable assets through legal process, such as investigative subpoenas and civil actions to enjoin or to redress the misuse or misapplication of charitable assets. Your Committee also finds that most of the Act is already codified in chapters 28 and 467B, Hawaii Revised Statutes, and other sections of the Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) 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. 2368, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2368, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Ruderman).

**SCRep. 2759      Ways and Means on S.B. No. 3034**

The purpose and intent of this measure is to appropriate \$353,176 for the restoration of the Hawaii Child Welfare Education Collaboration between the Child Welfare Services Branch of the Department of Human Services and the University of Hawaii Myron B. Thompson School of Social Work.

The University of Hawaii System, the National Association of Social Workers, and three individuals submitted written comments in support of the measure. The Department of Human Services submitted written comments.

Your Committee finds that, in the coming years, the Department of Human Services will face a critical shortage of experienced child welfare services workers and leaders. Your Committee also finds that the Hawaii Child Welfare Education Collaboration, which existed between 1998 and 2008, was a successful workforce recruitment and training program that provided a continuous stream of qualified social workers to fill vacant child welfare services positions. Your Committee believes that by restoring the Hawaii Child Welfare Education Collaboration, this measure will help build a workforce of highly qualified social workers who will increase the level of child welfare services in Hawaii and improve outcomes for Hawaii's most vulnerable children.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 3034, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3034, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 2760      Ways and Means on S.B. No. 3039**

The purpose and intent of this measure is to appropriate funds to the Department of Labor and Industrial Relations for two additional labor law enforcement specialist IV positions to assist in the enforcement of Hawaii's wage and hour law on public construction projects.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, The Pacific Resource Partnership, General Contractors Association of Hawaii, Building Industry Association, and Hawaii Laborers-Employers Cooperation and Education Trust. The Department of Labor and Industrial Relations and the Department of Transportation submitted written comments on the measure.

Your Committee finds that the Department of Labor and Industrial Relations Wage Standards Division is severely understaffed, making it difficult for the Department to keep pace with the increasing demands of enforcing the wage and hour law. The addition of these staff positions will give the Department the proper resources to complete investigations and enforce prevailing wage and hour laws on public construction projects.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Changing its effective date to July 1, 2050, 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. 3039, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3039, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Kidani). Noes, none. Excused, 3 (Dela Cruz, Kouchi, Ruderman).

**SCRep. 2761 Ways and Means on S.B. No. 3049**

The purpose and intent of this measure is to appropriate funds for the Department of Health to implement a radiation monitoring pilot project.

Your Committee received written comments on this measure from one individual.

Your Committee finds that there is a lingering concern about increased radiation levels reaching Hawaii due to the Fukushima nuclear disaster in 2011. The pilot project will involve monitoring radiation levels in a variety of items and posting periodic reports on the Department of Health's website from July 1, 2014 to June 30, 2019.

As affirmed by the record of votes of the members 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. 3049, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 2762 Ways and Means on S.B. No. 3066**

The purpose and intent of this measure is to establish the Public-Private Finance Initiative as a public body corporate within the Department of Business, Economic Development and Tourism, for administrative purposes.

More specifically, this measure establishes the initiative to enter into public-private partnership agreements to develop plans and implement projects on behalf of public agencies.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services; Department of Business, Economic Development, and Tourism; Wahiawa Community Business Association; and one individual. Written comments in opposition to this measure were received from two individuals. Written comments on this measure were received from the Department of Budget and Finance.

Your Committee finds that public-private partnership agreements will enable the government to deliver infrastructure to the public and maintain it more efficiently than more traditional modes of delivery.

Your Committee has amended this measure by:

- (1) Designating the Department of Business, Economic Development, and Tourism as the successor agency for the initiative upon the initiative's termination or dissolution;
- (2) Identifying the initiative as the public agency that is responsible for the lease payments under the public-private partnership agreements;
- (3) Clarifying that the initiative shall conduct suitability tests before issuing requests for proposals;
- (4) Exempting the initiative from chapter 103D, Hawaii Revised Statutes, relating to the public procurement code, and the lease provisions in chapter 171, Hawaii Revised Statutes;
- (5) Requiring the pilot project on state lands in Wahiawa, City and County of Honolulu, to terminate not later than October 1, 2017;
- (6) Standardizing the language in provisions relating to bidders and their proposals;
- (7) Transferring placement of the provision that authorizes the retention of an independent consultant or the creation of a staff position from the new Hawaii Revised Statutes section on projects and plans (§ -5) to the new Hawaii Revised Statutes section on the establishment of the Public-Private Finance Initiative (§ -3);
- (8) Changing the appropriation from \$500,000 to an unspecified amount;
- (9) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (10) 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. 3066, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3066, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Thielen). Noes, none. Excused, none.



**SCRep. 2763 Ways and Means on S.B. No. 3081**

The purpose and intent of this measure is to promote economic development by facilitating the interaction of local businesses with out-of-state businesses and investors.

Specifically, the measure:

- (1) Establishes an innovative business interaction program under the Hawaii Tourism Authority to increase the opportunity for interaction between innovative business investors and innovative business talent from out-of-state and in-state; and
- (2) Increases the transient accommodations tax revenues deposited into the tourism special fund to provide funds for the program.

Your Committee received written comments in support from the Hawaii Tourism Authority, Hawaii Strategic Development Corporation, and Creative Lab. Written comments in opposition were submitted by one individual. Written comments were submitted by the Department of Business, Economic Development, and Tourism, and the Tax Foundation of Hawaii.

Your Committee finds that Hawaii should emphasize and support the growth of innovative businesses and build relationships between investors and innovative talent. This measure pursues those goals by enabling the State to contract with the organizer of an annual event in Hawaii to include an element that encourages interaction between innovative business talent and potential investors.

Your Committee has amended this measure by:

- (1) Clarifying that the successor to an event organizer who assumes control of a qualifying event shall qualify for the contract;
- (2) Changing the amounts of the appropriations to unspecified sums;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 3081, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3081, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2764 (Majority) Ways and Means on S.B. No. 2836**

The purpose and intent of this measure is to make permanent the temporary provisions that require counties to issue affordable housing credits for Department of Hawaiian Home Lands housing projects.

Your Committee received written comments in support of this measure from the Department of Hawaiian Home Lands. Written comments in opposition to this measure were submitted by the Kauai County Housing Agency.

Your Committee finds that making the provisions for the affordable housing credits permanent will allow the Department of Hawaiian Home Lands to continue to provide incentives for private developers to construct affordable homes on Hawaiian Home Lands.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2836, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2836, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Kouchi). Excused, none.

**SCRep. 2765 Ways and Means on S.B. No. 2581**

The purpose and intent of this measure is to modify the membership and duties of the State Building Code Council, amend the State Building Code, and appropriate funds for the State Building Code Council.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Health; City and County of Honolulu Department of Planning and Permitting; Kauai Fire Department; County of Maui Department of Fire and Public Safety; Hawaii State Fire Council; General Contractors Association of Hawaii; Building Industry Association Hawaii; International Code Council; and one individual. Your Committee received written comments on this measure from the Department of Accounting and General Services and the Department of Labor and Industrial Relations.

Your Committee finds that the State Building Code Council plays an essential role in the public health and safety of Hawaii's residents, provides a forum to review and discuss national codes, and approves provisions of those codes that are appropriate for Hawaii. The State Building Code Council will benefit by including as members people from the construction industry who can offer their guidance and perspective on the building codes, as well as input on code changes that can have an impact on the cost of construction.

Since its creation in 2007, the State Building Code Council has operated without funding. Your Committee further finds that appropriate funding is critical for the Council to continue its mission.

Your Committee has amended this measure by:

- (1) Changing the appropriation to the Department of Accounting and General Services for the State Building Code Council from \$250,000 to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) 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. 2581, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2581, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Kahele). Noes, none. Excused, 1 (English).

**SCRep. 2766 Ways and Means on S.B. No. 2696**

The purpose and intent of this measure is to establish development restrictions for the Kakaako Community Development District in regards to proximity between buildings, height, and building orientation.

The measure also:

- (1) Requires a project eligibility review of infrastructure facilities within the District; and
- (2) Prohibits the Hawaii Community Development Authority from granting any variance, exemption, or modification to any provision of any rule or development plan relating to maximum floor area ratio within the District.

Your Committee received written comments in support of this measure from Kakaako United, Hawaii's Thousand Friends, and fourteen individuals. Your Committee received written comments in opposition to this measure from The Howard Hughes Corporation and Alexander & Baldwin, Inc. The Hawaii Community Development Authority, Kamehameha Schools, and The Chamber of Commerce of Hawaii submitted written comments.

Your Committee finds that the original vision of the Kakaako Community Development District was to establish a mixed-use district whereby commercial, residential, and public uses would coexist compatibly within the same area. Your Committee believes that the development standards established by this measure will help ensure adequate infrastructure facilities and preserve scenic views within the Kakaako Community Development District. Your Committee notes that this measure is not intended to apply to vested rights, entitlements, or plans that have already been approved.

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 is in accord with the intent and purpose of S.B. No. 2696, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2696, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kahele).

**SCRep. 2767 Ways and Means on S.B. No. 3077**

The purpose and intent of this measure is to appropriate funds for a capital improvement project at Maalaea Small Boat Harbor to demolish existing wooden finger piers and steel piles along the south mole at the harbor and replace them with new aluminum framed piers and new composite plastic fingering.

Your Committee received written comments in support of this measure from the Mayor of Maui County and two Maui County Council Members. Written comments were received from the Department of Land and Natural Resources.

Your Committee finds that because Maui County is a three-island county, small boat harbors on Maui, such as the Maalaea Small Boat Harbor, serve as critical connections between the islands of Lanai, Maui, and Molokai. Your Committee further finds, therefore, that proper maintenance of the heavily-used Maalaea Small Boat Harbor is vital to ensure continued access to the harbor for residents, visitors, and commercial operators.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date from July 1, 2014 to July 1, 2050, to facilitate further discussion on the 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. 3077, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3077, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Thielen).

**SCRep. 2768 Ways and Means on S.B. No. 3062**

The purpose and intent of this measure is to require the Department of Transportation and the University of Hawaii to complete negotiations and execute an agreement to relocate the University of Hawaii Marine Center.

The measure also:

- (1) Provides that if an agreement is not executed by July 1, 2015, the existing lease shall be deemed terminated as a matter of law on that date; and
- (2) Requires the Department of Transportation to report to the Legislature on the progress of the negotiations and execution of an agreement.

Your Committee received written comments in support of this measure from the Department of Transportation. Written comments in opposition were received from the University of Hawaii School of Ocean and Earth Science and Technology.

Your Committee finds that the Department of Transportation has leased long term to the University of Hawaii the land on which the University of Hawaii Marine Center is located. Your Committee also finds that this land is essential to the development of the Kapalama containment terminal project and that the University and the Department have been involved in ongoing negotiations for the relocation of the Marine Center. Your Committee believes that this measure will help to expedite an amicable agreement to relocate the Marine Center and enable the Department to move forward with the development of the Kapalama containment terminal project.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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. 3062, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3062, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Kidani). Noes, none. Excused, 1 (Thielen).

**SCRep. 2769 Ways and Means on S.B. No. 2677**

The purpose and intent of this measure is to make an appropriation for a grant-in-aid to Hawaii county to jointly fund improvements to the Waimea District/Regional Park.

Your Committee received written comments in support of this measure from the Office of the Mayor, County of Hawaii, the Hawaii Leeward Planning Conference, and a number of individuals.

Your Committee finds that Waimea District/Regional Park needs repairs and upgrades to its facilities. Currently, the park is not equipped to meet the high demand from persons seeking to use the facilities. Your Committee finds that joint funding from the State will assist the County of Hawaii's efforts to improve and upgrade the Waimea District/Regional Park.

Your Committee has amended this measure by:

- (1) Changing the means of financing for the construction and improvements to Waimea District/Regional Park from general revenues to general obligation bonds, and making the amount an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive changes 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. 2677, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2677, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2770 Ways and Means on S.B. No. 3036**

The purpose and intent of this measure is to appropriate funds for the University of Hawaii Sea Grant College Program to create a North Shore Beach Management Plan covering Oahu beaches from Sunset Beach to Waimea Bay.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Department of Transportation, University of Hawaii Sea Grant Program, Surfriider Oahu Chapter, and seven individuals.

Your Committee finds that North Shore beaches from Sunset Beach to Waimea Bay are vulnerable to erosion and the effects of climate change and sea level rise. Your Committee believes that creating a beach management plan for the North Shore that engages the community to evaluate these concerns and consider innovative ways to address them will benefit the State.

Your Committee has amended this measure by:

- (1) Clarifying the components of the beach management plan;
- (2) Deleting the requirement that the plan include disaster recovery plans;
- (3) Changing the amount of the appropriation to an unspecified sum;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 3036, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3036, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2771 Ways and Means on S.B. No. 2598**

The purpose and intent of this measure is to establish a Commission on African American History and Culture to recognize the significant contributions of African Americans in Hawaii and educate Hawaii's residents and visitors about the positive influence that African Americans have had on this State.

Your Committee received no written comments on this measure.

Your Committee finds that it is important that the State recognize and preserve the commendable historical and cultural contributions made by African Americans in Hawaii.

Your Committee has amended this measure by:

- (1) Adding a section appropriating an unspecified amount to be expended by the Office of the Governor for the purposes of this measure;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2598, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2598, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2772 Ways and Means on S.B. No. 2597**

The purpose and intent of this measure is to appropriate funds for the planning, design, and construction of a memorial honoring the veterans of various wars and armed conflicts.

In addition, the measure provides for replicas of the memorial on each neighbor island.

Your Committee received no written comments on this measure.

Your Committee finds that military veterans have made tremendous sacrifices for the State and country. To recognize those sacrifices, the Gulf War Memorial Task Force, pursuant to Act 139, Session Laws of Hawaii 2013, recommended a memorial be raised to veterans who served in the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, Operation New Dawn, Global War on Terrorism, Homeland Defense, and Operation Noble Eagle, and those who have protected our borders by land, sea, and air. Your Committee further finds that Hawaii's unique place in history and as a hub of the Pacific provides an appropriate setting for residents and visitors to express their thoughts, appreciation, and sentiments for the many veterans that have served and protected our country.

Your Committee has amended this measure by:

- (1) Changing the appropriation from general funds to general obligation bond proceeds appropriated for the same purpose;
- (2) Changing the amount of the appropriation to an unspecified sum;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes 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. 2597, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2597, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2773 Ways and Means on S.B. No. 2758**

The purpose and intent of this measure is to require that interest and other earnings on the principal of the hurricane reserve trust fund be deposited into the trust fund, instead of the general fund.

The measure also provides that the diversion of funds from the general fund will sunset on June 30, 2019.

The Department of Budget and Finance, the Department of Defense, and the Department of Defense, Civil Defense Division, submitted written comments in support of this measure.

Your Committee finds that allowing earned interest and other moneys to be retained in the hurricane reserve trust fund is a proactive strategy that will help to build and maintain a substantial level of state reserves in the trust 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 S.B. No. 2758, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2774 (Majority) Ways and Means on S.B. No. 2255**

The purpose and intent of this measure is to establish the Hawaii Justice League, under the University of Hawaii, William S. Richardson School of Law, to provide law school student loan repayment for lawyers who agree to pursue public interest work in Hawaii.

Your Committee received written comments in support of this measure from the Hawaii Appleseed Center for Law and Economic Justice, the Hawaii Access to Justice Commission, the Community Alliance on Prisons, and seven individuals. The Department of Budget and Finance and the University of Hawaii, William S. Richardson School of Law submitted written comments on the measure.

Your Committee recognizes that there is a shortage of public interest lawyers in the State. Your Committee finds that the establishment of a program to provide law school student loan repayment for lawyers who agree to practice public interest work in Hawaii will attract more public interest lawyers, as well as increase the amount of pro bono services offered by lawyers. Your Committee further finds that this measure will increase access to justice and assist the Hawaii Access to Justice Commission in delivering legal services to low-income residents.

Your Committee has amended this measure by:

- (1) Changing the name of “Hawaii Justice League” to “Hawaii Justice League Program”, and clarifying references to the “Hawaii justice league loan repayment assistance program”;
- (2) Changing to an unspecified amount the percentage of a program participant’s legal training costs that are eligible for repayment each year;
- (3) Changing the appropriation from \$10,000,000 to an unspecified amount to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes 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. 2255, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2255, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 2775 Ways and Means on S.B. No. 2832**

The purpose and intent of this measure is to facilitate high technology small business growth in the State.

Specifically, the measure authorizes the High Technology Development Corporation to:

- (1) Provide grants to a business in Hawaii of up to fifty per cent of a small business innovation research Phase II or III award or contract; and
- (2) Increase the maximum amount of a single transfer of funds allowed from the Hawaii capital loan revolving fund to \$500,000.

Your Committee received written comments in support of this measure from the High Technology Development Corporation, Oceanit, and The Chamber of Commerce of Hawaii.

Your Committee finds that a diversified economy is important to Hawaii’s economic long-term viability. The growth of the technology industry in Hawaii over the past ten years has contributed to diversification. Your Committee also finds that companies that develop “cutting edge” technologies rely on federal support, such as a small business innovation research program award or contract. However, technological development requires a long time frame, and as a result, more capital investment.

Your Committee has amended this measure by:

- (1) Changing the cap on any single transfer of funds from the Hawaii capital loan revolving fund from \$500,000 to an unspecified amount; and
- (2) 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. 2832, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2832, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 2776 Ways and Means on S.B. No. 2288**

The purpose and intent of this measure is to amend or repeal various sections of chapter 302A, Hawaii Revised Statutes, that:

- (1) Have been accomplished;
- (2) Impede the Department of Education in meeting its core mission;

- (3) Fall under the authority of the Board of Education;
- (4) Are mandated by federal law; or
- (5) Are covered by another section of the Hawaii Revised Statutes, administrative rules, or Board of Education policy.

No written comments were received on this measure by your Committee.

Your Committee finds that Act 133, Session Laws of Hawaii 2012, sought to clarify or resolve conflicting or inconsistent language in different sections of the Hawaii Revised Statutes, and amended or repealed various sections of chapter 302A, Hawaii Revised Statutes. Your Committee further finds that this measure continues this effort to clarify the provisions of chapter 302A, Hawaii Revised Statutes.

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. 2288, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2288, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 2777 Ways and Means on S.B. No. 2424**

The purpose and intent of this measure is to require the Department of Education and the Department of Accounting and General Services, together with various state entities, to develop a master strategy to cool all public school facilities and conduct a comprehensive study that addresses factors such as the electrical standards needed and costs associated with furnishing and maintaining air conditioning units in all school buildings.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, Department of Accounting and General Services, Hawaii State Teachers Association, the Hui for Excellence in Education Coalition, and nineteen individuals. Written comments were submitted by two individuals.

Your Committee finds that classroom environments influence students' academic achievement. The correlation between poor scholastic performance at school and a lack of air conditioning in school buildings has been documented extensively in articles.

Your Committee further finds that many of Hawaii's school buildings were not built to accommodate machines that require substantial electrical needs. A master strategy jointly developed by different state departments and the University of Hawaii would provide the Legislature with better insight regarding the long-term costs for installing and maintaining air conditioning units in all public schools.

Your Committee has amended this measure by adding a general obligation bond authorization and appropriation section to fund efficient air conditioned classroom demonstration 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. 2424, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2424, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 2778 (Majority) Ways and Means on S.B. No. 2704**

The purpose and intent of this measure is to provide that the overtime compensation for a laborer or mechanic on a public works project shall be not less than one and one-half times the laborer's or mechanic's basic hourly pay, plus the cost of fringe benefits.

The measure also requires that the overtime compensation for a laborer or mechanic on a public works project be the rate specified in a collective bargaining agreement when the basic hourly rate is based upon a collective bargaining agreement rate.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and the Hawaii Operating Engineers Industry Stabilization Fund.

Your Committee finds that, under current law, the overtime compensation for a laborer or mechanic on a public works project is one and one-half times the laborer's or mechanic's basic hourly rate of pay, plus the cost of fringe benefits. Your Committee believes that authorizing overtime compensation to exceed one and one-half times the basic hourly rate will provide the Department of Labor and Industrial Relations more flexibility in establishing overtime compensation schedules with which public works contractors must comply. Your Committee also believes that this measure will level the playing field by requiring non-unionized contractors to provide the same overtime compensation as unionized contractors when the basic hourly rate is based upon a collective bargaining agreement.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2050, to facilitate further discussion on the measure; and
- (2) 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. 2704, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2704, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 1 (Slom). Excused, 4 (Dela Cruz, Kouchi, Ruderman, Tokuda).

**SCRep. 2779 (Majority) Ways and Means on S.B. No. 2139**

The purpose and intent of this measure is to provide the Board of Education with flexibility to determine appropriate instructional time for public school students.

Specifically, the measure:

- (1) Requires all public secondary schools to implement a school year that includes nine hundred ninety student instructional hours beginning with the 2014-2015 school year;
- (2) Repeals the requirement that all public schools implement a school year of one hundred eighty days, including one thousand eighty student instructional hours, beginning with the 2016-2018 school year; and
- (3) Amends the definition of "student instructional hours" to authorize the Board of Education, in consultation with representatives of the appropriate bargaining units, to determine how the term is to be appropriately defined.

Your Committee received written comments in support of this measure from the Hawaii Educational Policy Center. The Hui for Excellence in Education Coalition submitted written comments in opposition to this measure.

Your Committee recognizes that schools are having a difficult time meeting the current requirement of nine hundred ninety hours of student instructional time. Your Committee finds that increasing the instructional time to one thousand eighty hours would only exacerbate the problem of educators having insufficient time to plan and collaborate.

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. 2139, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2139, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Espero, Keith-Agaran). Noes, 2 (Thielen, Slom). Excused, 1 (Dela Cruz).

**SCRep. 2780 (Majority) Ways and Means on S.B. No. 2495**

The purpose and intent of this measure is to regulate the sale, marketing, and use of electronic smoking devices.

More specifically, this measure:

- (1) Includes electronic smoking devices within the definition of "tobacco products" under chapter 245, Hawaii Revised Statutes;
- (2) Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes or tobacco products, including electronic smoking devices;
- (3) Increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes or tobacco products, including electronic smoking devices;
- (4) Establishes an excise tax on electronic smoking devices of an unspecified per cent of the wholesale price of each electronic smoking device kit, electronic smoking device nicotine cartridge, or electronic smoking device nicotine refill sold, used, or possessed by a wholesaler or dealer on or after October 1, 2014;
- (5) Amends Hawaii's anti-smoking statute to prohibit the use of electronic smoking devices in places open to the public and places of employment; and
- (6) Clarifies that the sale, distribution, or display of electronic smoking devices is restricted in the same manner as cigarettes and other tobacco products.

Your Committee received written comments in support of this measure from the Department of Human Resources Development, American Cancer Society Cancer Action Network, Coalition for a Tobacco-Free Hawaii, University of Hawaii Student Health Advisory Council, and twenty-three individuals. Written comments in opposition were received from Black Lava Vape, PC Gamerz, and twenty-one individuals. The Department of Taxation, Hawaii Food Industry Association, Tax Foundation of Hawaii, and three individuals submitted written comments on the measure.

Your Committee finds that the federal Food and Drug Administration has not yet exercised its regulatory authority over electronic smoking devices. As a result, electronic smoking devices are manufactured without regulatory oversight or quality control. Your Committee also finds that including electronic smoking devices under the existing definition of "tobacco products" in section 245-1, Hawaii Revised Statutes, makes the licensing and permitting requirements for tobacco products under chapter 245, Hawaii Revised Statutes, applicable to electronic smoking devices. Your Committee further finds that when compared to other states, Hawaii's tobacco licensing fees are among the lowest in the country.

Your Committee notes that this measure is a work in progress and further discussion is required. Your Committee also notes that, according to the state Attorney General, the subject matter of this measure would be better suited to a vehicle with a different title, such as "Relating to Tobacco."

Your Committee has amended this measure by:

- (1) Changing to an unspecified amount the license fee for persons engaged as a wholesaler or dealer of cigarettes or tobacco products, retail tobacco permit fee for retailers engaged in the retail sale of cigarettes or tobacco products, and the fee for a duplicate retail tobacco permit; and
- (2) Changing the effective date to July 1, 2050, 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. 2495, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2495, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (English, Espero, Keith-Agaran). Noes, 4 (Chun Oakland, Kahele, Kidani, Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2781 Ways and Means on S.B. No. 2953**

The purpose and intent of this measure is, for geothermal resources located on land under the jurisdiction of the Department of Hawaiian Home Lands, to require twenty per cent of the royalties received by the State to be paid to the Department of Hawaiian Home Lands and twenty per cent to be paid to the county in which the geothermal resources are located.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources. Written comments in opposition were received from the Center for Hawaiian Sovereignty Studies.

Your Committee finds that current law requires thirty per cent of all royalties received by the State from geothermal resources to be paid to the county in which the mining operations are situated. Your Committee believes that providing the Department of Hawaiian Home Lands with a percentage of the royalties from geothermal resources on land under the Department's jurisdiction will support the Department's programs, including homestead lot development, loan programs, and rehabilitation programs, as well as the administration expenses related to these programs.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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. 2953, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2953, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2782 Ways and Means on S.B. No. 2938**

The purpose and intent of this measure is to require and appropriate funds for the Department of the Attorney General to establish and operate, in collaboration with the county police departments, a statewide online firearms registration process that requires not more than two visits to the respective county police station per registration.

Your Committee received written comments in support of this measure from the Hawaii Rifle Association, the National Rifle Association, the Hawaii Hunting Association, and eighteen individuals. Written comments in opposition to the measure were received from the City and County of Honolulu Police Department, the County of Hawaii Police Department, the Chief of Police for Maui County, the Injury Prevention Advisory Committee, and one individual.

Your Committee finds that this measure will streamline the firearms registration process by reducing the number of required visits to the police station per registration.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2938, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2938, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2783 Ways and Means on S.B. No. 2916**

The purpose and intent of this measure is to ensure that the Employees' Retirement System (ERS) has timely access to employee-beneficiary information provided by a public employer.

Specifically, the measure strengthens the authority of the Employees' Retirement System to obtain needed information from the State and counties by:

- (1) Requiring, rather than authorizing, the ERS to obtain the information;
- (2) Requiring, rather than authorizing, the ERS to specify the format in which the information is to be furnished;



- (3) Requiring the departments and agencies of the State and the counties to furnish that information in the required format;
- (4) Adding, as a category of information with respect to payroll and personnel transactions that the ERS is required to obtain, changes or errors in payments that require correcting or updating;
- (5) Requiring the State or a county to pay on the first day of the fiscal year following the fiscal year in which a department or agency of the State or the county, as applicable, failed to furnish any required information, an amount equal to the employer contributions payable by the State or county during the fiscal year in which the department or agency failed to furnish the required information; and
- (6) Requiring the State or county to pay interest on the unpaid amounts if full payment is not made on the first day of the fiscal year.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Employees' Retirement System. Written comments in opposition to this measure were received from the Department of Human Resources Development and the Department of Education.

Your Committee finds that the ERS's personnel and payroll file formats are currently configured to accept corrections, adjustments, and updated information, although most public employers do not take advantage of this capability, resulting in delays in the processing of retirement benefits. This measure provides a means of addressing government agencies that are tardy in providing historical payroll-related information to the ERS.

Your Committee has amended this measure by:

- (1) Specifying that if a department or agency is noncompliant, the amount to be paid by the State or county will be relative to that department or agency;
- (2) Requiring the Department of Budget and Finance to submit an annual report to the Legislature on noncompliant departments, amounts payable for failing to furnish required information, and affected budget programs; and
- (3) Changing the effective date to July 1, 2050, 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. 2916, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2916, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Ruderman).

**SCRep. 2784 (Majority) Ways and Means on S.B. No. 2550**

The purpose and intent of this measure is to establish a five-year pilot project of financial and managerial autonomy at the Daniel K. Inouye College of Pharmacy at the University of Hawaii at Hilo.

This measure also establishes a special fund to financially support the college.

Your Committee received written comments in support of this measure from a Hawaii County Council Member, the Japanese Chamber of Commerce and Industry, the Hawaii Health Systems Corporation, the Hawaii Island Economic Development Board, the Hawaii Island Chamber of Commerce, the College of Pharmacy Executive Committee, Kaiser Permanente, Hawaii Construction Alliance, and six individuals. Your Committee received written comments on this measure from the Department of the Attorney General, the University of Hawaii at Hilo, Friends of the Daniel K. Inouye College of Pharmacy, and one individual.

Your Committee finds that this measure proposes an innovative approach to fund the construction, maintenance, and operation of the Daniel K. Inouye College of Pharmacy that may result in cost savings to the State and establish a more efficient means of delivering public sector construction projects.

Your Committee has amended this measure by:

- (1) Adding a declaration that, pursuant to Article X, section 6, of the Hawaii State Constitution, the Legislature identifies this measure as a law of statewide concern;
- (2) Clarifying that the annual financial and management reports to the Legislature shall commence with the Regular Session of 2015 and end with the Regular Session of 2019; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2550, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2550, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2785 Ways and Means on S.B. No. 2197**

The purpose and intent of this measure is to promote greater energy security for Hawaii.

More specifically, this measure:

- (1) Establishes a renewable fuels production tax credit; and

- (2) Repeals the ethanol facility tax credit.

Your Committee received written comments in support of this measure from the Hawaii Leeward Planning Conference, Hawaii Renewable Energy Alliance, Pacific Biodiesel Technologies, and two individuals. The Department of the Attorney General, Department of Business, Economic Development, and Tourism, and Department of Taxation submitted written comments on the measure.

Your Committee finds that Hawaii is one of the most isolated land masses on Earth and imports nearly ninety per cent of its energy needs. As a result, Hawaii is extremely vulnerable to soaring prices or disruptions of its energy imports, which can hinder, cripple, or even devastate the State's economy and the well-being of its inhabitants. Your Committee believes that it is critical for Hawaii to become more energy self-sufficient and that establishing a renewable fuels production tax credit has the potential to significantly increase renewable energy growth in Hawaii.

Your Committee has amended this measure by:

- (1) Changing the amount of the tax credit and related cap amounts to unspecified amounts;
- (2) Clarifying the definition of the term "qualifying renewable fuels";
- (3) Changing the requirement that renewable feedstocks be transported less than one thousand miles, from their point of origin to the production facility located within the State, to less than two thousand miles;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) 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. 2197, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2197, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 2786 Ways and Means on S.B. No. 2751**

The purpose and intent of this measure is to provide government agencies with flexibility in the negotiation of concession contracts, specifically those that involve evolving media technologies.

More specifically, this measure exempts from the public concession bidding process the operation of concessions that:

- (1) Provide wireless and communication services; or
- (2) Consist solely of advertising.

Your Committee received written comments in support of this measure from the Department of Transportation and the Airport Concessionaires Committee.

Your Committee finds that the technologies used in communications and advertising evolve at a rapid pace. Requiring the operation of concessions that provide electronic communication services or consist solely of advertising to undergo the formal bidding process is often time-consuming and results in the use of obsolete or unsuitable technologies. Your Committee believes that providing flexibility in the negotiation of these concession contracts will benefit the State by enhancing efficiency and improving the level of services provided to consumers.

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. 2751, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2751, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Thielen, Slom). Noes, none. Excused, none.

**SCRep. 2787 Ways and Means on S.B. No. 2518**

The purpose and intent of this measure is to authorize the State Public Charter School Commission to assess fees to cover its operating costs. The measure also makes various amendments to the charter school law for clarity and consistency.

Your Committee received written comments in support of the measure from the Hawaii State Teachers Association, State Public Charter School Commission, and Hawaii Public Charter Schools Network. The Hawaii State Ethics Commission submitted written comments in opposition to this measure. The Department of Budget and Finance and the Hawaii Educational Policy Center submitted comments.

Your Committee finds that this measure further refines the charter school law, which was recently recodified in 2012.

Your Committee has amended this measure by:

- (1) Adding vendors and contractors who provide goods or services to a charter school to the category of persons who, as a combined group, shall not comprise more than one-third of the voting members of the governing board of a charter school;

- (2) Adding vendors and contractors who provide goods or services to a charter school to the category of persons who shall not serve as the chairperson of the governing board of that charter school;
- (3) Deleting vendors and contractors who provide goods or services to a charter school from the definition of an “employee”;
- (4) Clarifying that former employees of a charter school and relatives of former employees of a charter school are included in the category of persons who, as a combined group, shall not comprise more than one-third of the voting members of the governing board of a charter school under the jurisdiction of that governing board; provided that the former employees or relatives of the former employees shall no longer be included in that category after one year has elapsed since the termination of the employees’ employment with the school;
- (5) Clarifying that former employees of a charter school and relatives of former employees of a charter school shall not serve as the chairperson of the governing board of that charter school until at least one year has elapsed since the termination of the employees’ employment with the school;
- (6) Changing the effective date to July 1, 2050, to facilitate discussion on the measure; and
- (7) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2518, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2518, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen, Slom). Noes, none. Excused, 1 (English).

**SCRep. 2788 Ways and Means on S.B. No. 2664**

The purpose and intent of this measure is to promote renewable energy in Hawaii by:

- (1) Providing that all penalties, fees, and costs established and collected by the Department of Land and Natural Resources shall be deposited in the special land and development fund;
- (2) Including geothermal resources within the definition of a renewable energy producer; and
- (3) Clarifying the permitting procedures for regulators and renewable energy developers considering geothermal development.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; the Department of Land and Natural Resources; and Indigenous Consultants. Written comments in opposition were received by Life of the Land and four individuals.

Your Committee finds that current law does not classify geothermal resources within the definition of “renewable energy producer”. Your Committee believes that this measure will provide greater equity between geothermal resources and other renewable energy sources, thereby encouraging geothermal development and supporting the State’s energy policy directives of a diversified renewable portfolio.

Your Committee has amended this measure by:

- (1) Amending the definition of “geothermal resources” to broaden its scope;
- (2) Clarifying that the permitting process under section 182-6, Hawaii Revised Statutes, applies to geothermal resources and mineral exploration;
- (3) Changing the effective date from upon approval to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes 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. 2664, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2664, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Ruderman, Thielen). Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2789 Ways and Means on S.B. No. 3121**

The purpose and intent of this measure is to require legislative approval of any exchange of public land for private land by majority vote of both houses of the Legislature.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs. Written comments in opposition were submitted by one individual. The Department of Land and Natural Resources submitted written comments on the measure.

Your Committee finds that current law subjects any exchange of public land for private land to disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives. Your Committee believes that by requiring legislative approval rather than disapproval, this measure will require an affirmative action of the Legislature in order to approve any public land exchange.

Your Committee has amended this measure by:

- (1) Making a conforming amendment to section 171-50.2, Hawaii Revised Statutes, to reflect the requirement of legislative approval; and

- (2) Changing the effective date from upon approval to July 1, 2050, 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. 3121, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3121, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2790 Ways and Means on S.B. No. 2246**

The purpose and intent of this measure is to appropriate funds for claims made against the State, its officers, or employees.

Your Committee received written comments in support of this measure from the Department of the Attorney General.

Your Committee finds that this measure requests a total of \$593,650.72 in appropriations from the general fund to satisfy seven claims against the State and \$90,000 in appropriations from the state highway fund to satisfy two claims against the State. Timely passage of this measure will minimize interest on those amounts.

Your Committee has amended this measure by adding five new claims at the request of the Department of the Attorney General. The five new claims appropriate an additional \$266,879.97 from the general fund and an additional \$32,500.00 from the state highway 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 S.B. No. 2246, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2246, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Keith-Agaran, Ruderman).

**SCRep. 2791 Ways and Means on S.B. No. 2732**

The purpose and intent of this measure is to deter drivers from driving or parking vehicles in bicycle lanes or bicycle paths by increasing the minimum fine for a violation from \$35 to \$100.

Your Committee received written comments in support of this measure from the Department of Transportation.

Your Committee finds that section 291C-123, Hawaii Revised Statutes, prohibits driving or parking in a bicycle lane or bicycle path except under certain authorized circumstances as allowed pursuant to City and County of Honolulu ordinances, including the execution of a legal turn, lane change, or parking maneuver. Your Committee believes that raising the minimum fine for a violation will discourage violations of this law, thereby enhancing safety for bicyclists who use the bicycle lanes.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure;
- (2) Adding a savings clause; 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. 2732, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2732, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 2792 Ways and Means on S.B. No. 2516**

The purpose and intent of this measure is to appropriate funds to the State Public Charter School Commission to support its facilities pilot project.

Your Committee received written comments in support of this measure from the State Public Charter School Commission, Na Wai Ola Public Charter School Governing Board, Hawaii Educational Council, and eleven individuals. The Hawaii Educational Policy Center submitted written comments on the measure.

Your Committee finds that the State Public Charter School Commission is currently implementing a pilot project for the allocation of funds to various charter schools for small-scale facilities projects, based in part, on the need and performance of the charter schools. Your Committee further finds that additional funding is needed to implement this pilot project and address the challenges of inadequate funding for facilities costs.

Your Committee has amended this measure by:

- (1) Changing the appropriation from \$1,200,000 to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes 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. 2516, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2516, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2793 Ways and Means on S.B. No. 2309**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the Department of Public Safety to establish and implement a residential reentry facility and day reporting program for criminal offenders, including offenders in the work furlough program.

Your Committee received written comments in support of this measure from one individual. The Department of the Prosecuting Attorney of the City and County of Honolulu submitted written comments on the measure.

Your Committee finds that residential reentry programs are viable alternatives to imprisonment when they are appropriately designed and administered. Reentry programs help offenders effectively transition back into society and ultimately reduce the recidivism rate. Your Committee further finds that establishing a residential reentry facility will help offenders access needed social services, learn valuable job skills, participate in various educational, mental, and physical fitness programs, and prepare to reengage with the community.

Your Committee has amended this measure by:

- (1) Changing the appropriation from \$100,000 to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes 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. 2309, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2309, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2794 Ways and Means on S.B. No. 2820**

The purpose and intent of this measure is to streamline and improve the operations of the Insurance Division of the Department of Commerce and Consumer Affairs, and to ensure Hawaii's compliance with the federal Patient Protection and Affordable Care Act (PPACA).

Specifically, this measure:

- (1) Prohibits the rescission of coverage under health benefit plans in most circumstances;
- (2) Requires written notice prior to rescission;
- (3) Clarifies that general casualty insurance includes accident and health or sickness insurance only as incidental or supplemental coverage;
- (4) Clarifies the Insurance Commissioner's retention requirements for tax records of surplus lines brokers and independently procured insureds;
- (5) Specifies the authority of the insurance fraud investigations branch to take appropriate action on insurance fraud complaints;
- (6) Includes long-term care insurance among the limited benefit health insurance contracts that are subject to certain requirements for accident and health or sickness insurance contracts;
- (7) Specifies that Article 11A of the Insurance Code, pertaining to business transactions with producer-controlled property or casualty insurers, is applicable to risk retention captive insurance companies;
- (8) Specifies certain rate-making requirements for managed care plans; and
- (9) Makes other amendments to conform to National Association of Insurance Commissioners model laws and the PPACA.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs. The Hawaii Substance Abuse Coalition, the Hawaii Medical Services Association, and Kaiser Permanente submitted written comments on the measure.

Your Committee finds that the State must comply with the PPACA by prohibiting the rescission of coverage in most instances and requiring written notice prior to rescission. Your Committee also finds that clarifying that companies with general casualty insurance authority can only write accident and health or sickness insurance as incidental or supplemental coverage will prevent disparities in regulation from occurring and will make Hawaii's regulations similar to those of other states. Your Committee further finds that this measure will streamline and improve the operations of the Insurance Division of the Department of Commerce and Consumer Affairs, allow its Insurance Fraud Investigations Branch to review and take appropriate action on certain complaints, and make various amendments and clarifications that will benefit the State.

Your Committee notes the concerns of various insurers regarding the provision in this measure requiring eighty percent of investment income on reserves to be applied to the rate determination and filing of a managed care plan. It is the intent of your Committee to continue working with insurers to address these concerns during the legislative process.

Your Committee has amended this measure by:

- (1) Specifying that rescissions of health benefit plan coverage based on the failure to timely pay required premiums or contributions toward coverage must comply with the PPACA;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2820, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2820, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 2795 (Majority) Ways and Means on S.B. No. 2922**

The purpose and intent of this measure is to lengthen the public school year from one hundred eighty to one hundred ninety days commencing with the 2015-2016 school year, and to repeal requirements for minimum student instructional hours.

Additionally, this measure appropriates funds to the Department of Education to implement this measure.

Your Committee received written comments in opposition to this measure from Hui for Excellence in Education and IMUAlliance. Written comments on this measure were received from the Hawaii State Teachers Association.

Your Committee finds that this measure promotes the goals of education without impairing the collective bargaining rights of teachers. It is your Committee's intent that the additional instructional days not replace professional development days or other non-instructional days negotiated pursuant to chapter 89, Hawaii Revised Statutes.

Your Committee has amended this measure by changing the number of days in a school year to an unspecified number 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. 2922, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2922, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Espero). Noes, 2 (Thielen, Slom). Excused, 1 (Dela Cruz).

**SCRep. 2796 Ways and Means on S.B. No. 2728**

The purpose and intent of this measure is to clarify that the designation of a public trail shall be as provided by law.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, the Department of Transportation, and the Land Use Research Foundation of Hawaii. Written comments in opposition were received from a member of the Kauai County Council and one individual.

Your Committee finds that this measure clarifies that the designation of public trails and disputes that arise regarding public access to public trails shall be governed by state law.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2728, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2728, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 2797 Ways and Means on S.B. No. 2465**

The purpose and intent of this measure is to require licensed psychologists to complete continuing education courses during each licensing renewal biennium subsequent to the first license renewal.

The Board of Psychology, Hawaii Medical Association, and the National Association of Social Workers, Hawaii Chapter, submitted written comments in support of the measure. One individual submitted written comments.

Your Committee finds that this measure will ensure that licensed psychologists will maintain their professional competency and keep abreast of the latest developments in their profession. As a result of this measure, Hawaii will no longer remain among a minority of jurisdictions that do not require continuing education for their licensed psychologists.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, in order to facilitate discussion of this measure; 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. 2465, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2465, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2798 Ways and Means on S.B. No. 2259**

The purpose and intent of this measure is to prohibit parties in the arbitration phase of public sector collective bargaining from including in their final positions any proposals that were not previously submitted in writing before impasse and about which an impasse in bargaining has not been reached.

Your Committee received written comments in support of the measure from the Hawaii Government Employees Association and the United Public Workers, AFSCME, Local 646, AFL-CIO. Written comments in opposition to the measure were received from the Department of Budget and Finance, the Office of Collective Bargaining in the Executive Office of the Governor, and the Department of Human Resources of the City and County of Honolulu.

Your Committee finds that this measure will limit the scope of matters that are subject to a public employment collective bargaining arbitration proceeding.

As affirmed by the record of votes of the members 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. 2259, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Thielen). Noes, none. Excused, none.

**SCRep. 2799 Ways and Means on S.B. No. 2079**

The purpose and intent of this measure is to amend the motion picture, digital media, and film production income tax credit.

More specifically, this measure:

- (1) Requires film productions to:
  - (A) Comply with all applicable federal, state, and county laws; and
  - (B) Work with the Hawaii Film Office and any appropriate state or county agency if a film production takes place on state or county property,
 in order to be eligible for the tax credit;
- (2) Prohibits qualified production costs that have been financed with state funds from qualifying for the tax credit beginning on July 1, 2014; and
- (3) Prohibits unscripted, soft-scripted, or reality television programming from qualifying for the tax credit.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Department of Land and Natural Resources. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the Department of Land and Natural Resources has, in the recent past, dealt with film productions that have engaged in production without proper permits, in violation of state laws and administrative rules. Your Committee believes that this measure will promote greater compliance with state laws and rules and will also encourage closer collaboration between production companies and the appropriate state and county agencies.

Your Committee notes that the measure prohibits “productions that are unscripted, soft-scripted, or reality television programming” from qualifying for the tax credit. While the intent of the measure is to prohibit reality television productions from qualifying for the tax credit, the broad language used in the measure may inadvertently disqualify other unscripted productions, such as documentaries. It is not the intent of the measure to preclude documentaries from qualifying for the tax credit.

Your Committee has amended this measure by:

- (1) Deleting reference to unscripted and soft-scripted productions with respect to the type of television programming that is excluded from qualifying for the motion picture, digital media, and film production income tax credit;
- (2) Replacing the requirement that film productions work with the Hawaii Film Office with a requirement that film productions secure all necessary film permit approvals with appropriate state or county film offices;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) 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. 2079, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2079, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Espero). Noes, none. Excused, 1 (Kahele).

**SCRep. 2800 Ways and Means on S.B. No. 3054**

The purpose and intent of this measure is to centralize public safety facilities to enable the sharing of resources and support services by establishing a central Oahu public safety technology park.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism, the Department of Budget and Finance, and the High Technology Development Corporation.

Your Committee finds that recent natural disasters on the mainland make clear the need for the State to ensure that public safety services are adequate during times of natural disasters. Furthermore, the State's current facilities used during times of natural disasters are rapidly deteriorating and are located in inundation areas. Your Committee also finds that to be adequately prepared during times of natural disasters, a centralized public safety facility with direct access to highways and convenient proximity to hospitals and military services is needed.

Your Committee has amended this measure by:

- (1) Appropriating moneys to the High Technology Development Corporation for the establishment of the central Oahu public safety technology park;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 3054, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3054, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Keith-Agaran, Kouchi).

**SCRep. 2801 Ways and Means on S.B. No. 2584**

The purpose and intent of this measure is to appropriate funds for the Pacific International Space Center for Exploration Systems' planetary sustainability technologies initiative to match funds that are expected to be appropriated by the State of California.

This measure also specifies a ceiling on the amount of the appropriation that may be expended for planetary sustainability technology demonstrations and university-based competitions.

Your Committee received written comments in support of this measure from a Hawaii County Council Member; the University of Hawaii at Hilo; the National Aeronautics and Space Administration; Ferraro Choi and Associates; Near Earth LLC; JAMSS America; Shackleton Energy Company; Pacific International Space Center for Exploration Systems; International Ventures Associates; and three individuals. The Department of Business, Economic Development, and Tourism submitted written comments on the measure.

Your Committee finds that this measure will provide funding to research living in space and on other planets that will in turn promote dual-use technologies and help to diversify economic development in Hawaii.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of style, 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. 2584, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2584, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 2802 Ways and Means on S.B. No. 2776**

The purpose and intent of this measure is to require the Board of Directors of the High Technology Development Corporation to establish a creative film and media park.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received written comments in opposition to this measure from the Department of Land and Natural Resources. Written comments on this measure were submitted by the High Technology Development Corporation.

Your Committee finds that there is presently no centralized creative film and media park in Hawaii. The increase in the number of film production companies choosing to film in Hawaii, as well as rising interest in the film industry, has paved the way for new educational programs focusing on film and media production. Your Committee further finds that the establishment of a creative film and media park will allow Hawaii residents interested in creative film and media to explore opportunities within the film and media industry without having to leave Hawaii and will provide a substantial number of employment opportunities.

Your Committee has amended this measure by:

- (1) Inserting a new section that appropriates an unspecified sum to the High Technology Development Corporation for the establishment of a creative film and media park;



- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2776, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2776, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Keith-Agaran, Kouchi).

**SCRep. 2803 Ways and Means on S.B. No. 2809**

The purpose and intent of this measure is to align statutory language regarding utility ratemaking with widely accepted utility ratemaking principles and ratemaking practices already applied in Hawaii.

Specifically, the measure requires that, in order for a utility to qualify to earn a fair return on utility property, the property must be deemed by the Public Utilities Commission as being both “used” and “useful,” rather than one or the other.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and the Public Utilities Commission. Written comments in opposition were received from the Hawaiian Electric Company, Inc.

Your Committee finds that this measure will align statutory language with interpretations of the “used and useful” standard made by the Hawaii Supreme Court and Public Utilities Commission.

As affirmed by the record of votes of the members 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. 2809, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Ruderman).

**SCRep. 2804 (Majority) Ways and Means on S.B. No. 1227**

The purpose and intent of this measure is to require insurers, hospital and medical service plans, and health maintenance organizations to provide certain coverage for survivors of brain injuries.

Your Committee received written comments in support of this measure from the Hawaii Disability Rights Center and oral testimony in support from two individuals. Written comments in opposition were received from the Department of Human Services, The Chamber of Commerce of Hawaii, Hawaii Medical Service Association, and Kaiser Permanente. The Behavioral Health Administration of the Department of Health and the Department of Commerce and Consumer Affairs submitted written comments on the measure.

Your Committee finds that survivors of traumatic brain injuries face a long and difficult rehabilitation process that may not be covered by certain health benefit plans. Your Committee further finds that insurers should be required to provide coverage for traumatic brain injuries, to protect the health and well-being of the people of this State.

Your Committee has amended this measure by:

- (1) Clarifying that the coverage for post-acute transition services or community reintegration services shall include outpatient day treatment services or other post-acute care treatment services;
- (2) Requiring the Auditor, rather than the Department of Commerce and Consumer Affairs, to submit a report to the Legislature regarding the economic impact of the expanded coverage on affected insurers; 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. 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, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 2805 Ways and Means on S.B. No. 2423**

The purpose and intent of this measure is to allow schools and classes to participate in fundraising or charitable activities, in conjunction with organizations that are exempt from federal taxes or granted an exemption from registration, as part of a school project when the activities benefit student learning.

Your Committee received written comments in support of this measure from the Hawaii Association of Independent Schools and the Hawaii State Teachers Association. The Hawaii State Ethics Commission submitted written comments in opposition to the measure.

Your Committee finds that school projects involving fundraising or charitable activities provide opportunities for youth to apply what they have learned in the classroom to real world situations. Engaging students to work alongside staff, parents, and community members for the benefit of worthwhile causes promotes good citizenship and community awareness.

Your Committee has amended this measure by:

- (1) Changing the reference to section 467B-2.1, Hawaii Revised Statutes, to section 467B-11.5, Hawaii Revised Statutes, to indicate the proper section;
- (2) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (3) 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. 2423, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2423, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2806 Ways and Means on S.B. No. 2610**

The purpose and intent of this measure is to require that automated external defibrillators (AEDs) and personnel trained to use them be available at public educational facilities and sporting events.

Specifically, this measure:

- (1) Requires that, by the end of the 2015-2016 school year, AEDs be available on the campuses of all public schools and public charter schools, and all divisions and campuses of the University of Hawaii system;
- (2) Requires that athletic trainers or faculty members be trained in the use of AEDs and be present at every public school, public charter school, and University of Hawaii sporting event;
- (3) Requires that the educational institutions subject to this measure maintain and test the mandated AEDs on their campuses pursuant to manufacturers' guidelines;
- (4) Provides that an athletic trainer or faculty member who administers an AED pursuant to this measure shall be considered to be doing so without remuneration or expectation thereof;
- (5) Establishes an AED working group to develop policies, procedures, and best practices related to the use of AEDs at public schools, charter schools, and the University of Hawaii; and
- (6) Appropriates unspecified sums to the Department of Education and University of Hawaii for the purchase and maintenance of AEDs and related training.

Your Committee received written comments in support of this measure from the Hawaii State Teachers Association, AED Institute of America, Inc., and three individuals.

Your Committee finds that properly operated and maintained AEDs save lives and should be available on all public school, public charter school, and University of Hawaii campuses and at related sporting events, along with trained personnel.

Your Committee has amended this measure by:

- (1) Clarifying the structure and membership of the AED working group to be established by this measure;
- (2) Changing the amount of the appropriations to unspecified sums; 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. 2610, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2610, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2807 Ways and Means on S.B. No. 2235**

The purpose and intent of this measure is to require each student to receive a physical examination within one year of attending seventh grade.

The Department of Health submitted written comments on this measure.

Your Committee acknowledges that the language specifying the timeframe for a student to receive a physical examination, along with the method of documentation, is a work in progress and requires further refinement. It is the intent of your Committee to provide flexibility in the requirements established by this measure so that physical examinations do not become a barrier to school attendance, while ensuring that every student undergoes a physical examination during the years of middle school.

Your Committee finds that currently, physical examinations are conducted upon initial attendance at any school for the first time in the State. Requiring students to receive an additional physical examination upon entry into seventh grade will provide a broader, systematic approach to connect children to health care providers. Your Committee further finds that an additional physical exam will also reinforce a culture of wellness and preventative health while providing an opportunity to address developmentally relevant physical and mental health issues.

Your Committee has amended this measure by specifying that proof of a completed physical examination be presented by written documentation.

As affirmed by the record of votes of the members 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. 2235, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2235, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 2808 Ways and Means on S.B. No. 2592**

The purpose and intent of this measure is to appropriate moneys to the Department of Public Safety to establish a two-year diversion and reentry pilot project to provide an alternative to incarceration for nonviolent offenders with substance-abuse issues, by diverting them from incarceration into a coordinated system of community-based drug treatment programs and reentry support services.

Your Committee received written comments in support of this measure from the Department of Public Safety, Community Alliance on Prisons, the Hawaii Substance Abuse Coalition, and two individuals. Your Committee received written comments in opposition to this measure from the Department of the Prosecuting Attorney.

Your Committee finds that certain nonviolent drug offenders can more effectively be treated with substance-abuse treatment programs rather than incarceration. Your Committee further finds that diverting nonviolent drug offenders from incarceration into community-based drug treatment programs will produce long-term savings and a reduction in recidivism.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to an unspecified sum;
- (2) Requiring the Department of Public Safety to report on the pilot project;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2592, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2592, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Thielen, Slom). Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2809 Ways and Means on S.B. No. 2125**

The purpose and intent of this measure is to establish marine conservation guidelines for less populated islands in the State.

Specifically, the measure prohibits the following actions or activities within two miles of the shoreline of an island with a population of less than five hundred persons:

- (1) Taking or possessing aquatic life;
- (2) Engaging in fish feeding; and
- (3) Operating a tour boat, vessel, or jet ski, or riding a surfboard, kayak, zodiac, or other pleasure or recreational craft,

unless the person is domiciled on the island or accompanied by a person who is domiciled on the island.

Your Committee received written comments in opposition from three individuals. The Department of Land and Natural Resources submitted written comments on the measure.

Your Committee finds that the relatively recent application of Western economic and environmental philosophies, including the commercialization of fishery stocks and the disruption of ecological cycles through land development, stream diversions, pollution, overfishing, and irresponsible fishing practices, has contributed to a substantial and ongoing decline in the health of the State's nearshore ocean environment. Your Committee further finds that, over time, recreational and subsistence activities, including fishing, gathering, and leisure tours, have intersected in such a manner that necessitates state review and oversight of coastal areas. Your Committee believes that the convening of a task force to assist the Department of Land and Natural Resources in developing rules to establish a marine life conservation district would ensure greater protection of the State's ocean resources by allowing interested parties to engage in meaningful discourse.

Accordingly, your Committee has amended this measure by deleting its substantive contents and inserting language that:

- (1) Requires the Chairperson of the Board of Land and Natural Resources to convene a task force to assist the Department of Land and Natural Resources in developing rules to establish a marine life conservation district to ensure greater protection of the State's ocean resources; and
- (2) Prohibits the Department of Land and Natural Resources from adopting any rules under title 12, Hawaii Revised Statutes, relating to fishing, gathering, or ocean resources, within the coastal areas and nearshore waters of the island of Niihau prior to the task force's submittal of its final report.

Your Committee further amended the measure by:

- (1) Making conforming changes to the purpose section to reflect the new substantive provisions; and
- (2) Changing the effective date from upon approval to July 1, 2050, to facilitate further discussion on the measure.

Your Committee notes that due to anecdotal accounts of disputes between different user groups accessing the marine resources in the nearshore waters and coastal areas of Niihau, your Committee requests that the County of Kauai should provide the same level of public safety services to Niihau residents as it does for Kauai residents.

As affirmed by the record of votes of the members 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. 2125, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2125, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Espero, Kidani, Slom). Noes, none. Excused, none.

**SCRep. 2810 Ways and Means on S.B. No. 2698**

The purpose and intent of this measure is to ensure that the Hawaii Community Development Authority follows the intent of chapter 206E, Hawaii Revised Statutes.

More specifically, this measure:

- (1) Ensures that adopted plans and rules are followed, particularly in regard to density, height, infrastructure, and low- and moderate-income housing, by statutorily establishing height and density limits in statute;
- (2) Requires that any amendment made by the Hawaii Community Development Authority to the Kakaako Community Development District Mauka and Makai Area Plans be subject to the approval of the Legislature by adoption of a concurrent resolution;
- (3) Provides for adequate community engagement in the Hawaii Community Development Authority's planning and decision-making on development projects; and
- (4) Establishes a process for contesting the Hawaii Community Development Authority's decisions.

Your Committee received written comments in support of this measure from fifteen individuals. Written comments in opposition were received from the City and County of Honolulu Department of Environmental Services and Alexander & Baldwin, Inc. The Hawaii Community Development Authority and The Chamber of Commerce of Hawaii submitted written comments on the measure.

Your Committee finds that the Hawaii Community Development Authority was established in 1976 as a public entity to determine community development programs to facilitate urban redevelopment and renewal in underutilized areas of the State. Among the major objectives of the Hawaii Community Development Authority is the development of mixed-use, mixed-income communities and the creation of housing for low- and moderate-income residents. To ensure that comprehensive and coordinated development plans were executed with and for the community, the Authority was explicitly required to engage with affected communities in community development plans and projects.

Your Committee also finds that, in the thirty-seven years since its creation, the Hawaii Community Development Authority has not met the standards for creating a mixed-use, mixed-income community. Further, with regard to development in Kakaako, the Hawaii Community Development Authority has not followed the plan adopted by the community and has, instead, liberally interpreted the requirements and amended the plan and rules without accountability or transparency, to the detriment of the community. Your Committee believes that this measure is necessary to ensure that the Hawaii Community Development Authority operates in a transparent manner.

Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii Community Development Authority shall work with landowners and residents of the community in which a project is to be located to ensure adherence to community development rules established pursuant to section 206E-7, Hawaii Revised Statutes;
- (2) Correcting language to reflect the current text of the Hawaii Revised Statutes; and
- (3) 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. 2698, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2698, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Kouchi).

**SCRep. 2811 Ways and Means on S.B. No. 2274**

The purpose and intent of this measure is to establish a sustainable living research permit for activities that test ideas, concepts, or inventions designed to promote sustainable living.

The measure also authorizes exemption of sustainable living research sites from county codes, ordinances, rules, or permits relating to construction or building requirements, occupancy, zoning, or subdivisions that are not practicable for the specific sustainable living research site and that may inhibit the proposed research.

Your Committee received written comments in support of this measure from two members of the Haiku Aina Permaculture Initiative, the Hawaii Sustainable Community Alliance, Polestar Gardens, Botanical Dimensions, the Hedonisia Hawaii Sustainable Community, and twenty-three individuals. Written comments were received from the Department of Agriculture, the Department of Health, the Office of Planning, and one individual.

Your Committee finds that population growth and the decrease in resources has necessitated a more sustainable and environmentally appropriate way of life. Your Committee further finds that sustainable and environmentally appropriate living is presently inhibited by zoning regulations that govern conventional development. Your Committee believes that this measure will promote the Hawaii 2050 Sustainability Plan and ensure the development of innovative, responsible, and sustainable practices that are vital to Hawaii's future.

Your Committee has amended this measure by:

- (1) Amending the definition of "sustainable living research site" by transferring operative language in the definition to form a separate section relating to the requirements for a sustainable living research site and by further clarifying that the sites are subject to state laws and rules, as well as federal laws and regulations;
- (2) Adding an appropriation for the Department of Health to conduct a study of the impact on human health if the drinking water system of a sustainable living research site falls below the threshold for a public water system;
- (3) Changing the effective date from July 1, 2014, to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2274, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2274, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 2812 (Majority) Ways and Means on S.B. No. 2858**

The purpose and intent of this measure is to establish an environmental information management office within the Department of Health to, among other things, promote the use of environmental information systems and new management innovations.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Department of Transportation. Written comments were received from the Department of Health - Environmental Health Administration and The Chamber of Commerce of Hawaii.

Your Committee finds that an environmental information management office has the potential to reduce the burden of the regulatory reporting process, increase accessibility and efficiency in data reporting, and facilitate effective coordination of environmental regulatory data functions.

Your Committee has amended this measure by:

- (1) Defining the term "department" to mean the Department of Health;
- (2) Replacing the term "Office of Information Management and Technology", which is not established in the Hawaii Revised Statutes, with the term "Chief Information Officer", which is established under section 27-43, Hawaii Revised Statutes;
- (3) Changing the effective date to July 1, 2050, 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. 2858, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2858, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Espero). Noes, 1 (Slom). Excused, none.

**SCRep. 2813 (Majority) Ways and Means on S.B. No. 2609**

The purpose and intent of this measure is to increase the minimum wage in Hawaii to reflect increases in the cost of living and to provide workers with additional income.

Specifically, this measure:

- (1) Increases the minimum hourly wage to:
  - (A) \$8.20 starting January 1, 2015;
  - (B) \$9.15 starting January 1, 2016; and
  - (C) \$10.10 starting January 1, 2017;
- (2) Repeals the tip credit; and
- (3) Requires the Department of Labor and Industrial Relations to annually increase the minimum hourly wage, based upon the Honolulu region consumer price index for urban wage earners and clerical workers.

Your Committee received written comments in support of this measure from the Department of Human Services, the Department of Labor and Industrial Relations, a Kauai County Council Member, University of Hawaii Professional Assembly, Progressive Democrats of Hawaii, IP Xpert of Honolulu, UNITE HERE Local 5, Hawaii State Commission on the Status of Women, Democratic Party of Hawaii, SAG-AFTRA, United Public Workers Hawaii, Boilermakers L-627, Hawaii Alliance for Retired Americans, Hawaii Appleseed Center for Law and Economic Justice, League of Women Voters of Hawaii, Community Alliance on Prisons, The Pacific

Alliance to Stop Slavery, Dr. Martin Luther King Jr. Coalition Hawaii, National Association of Social Workers, Sailors Union of the Pacific, Partners in Care, Pride at Work Hawaii, Hawaii Catholic Conference, and seventy-eight individuals. Written comments in opposition were received from Keoki's Paradise, Island Princess in Honolulu, Big City Diner, Hawaii Food Industry Association, TS Restaurants Hawaii, National Federation of Independent Business Hawaii, Hula Grill Maui, Duke's Beach House Maui, The Chamber of Commerce of Hawaii, Gyotaku Japanese Restaurants, and Times Supermarket. The Executive Office of Early Learning, Chamber of Commerce for Persons with Disabilities Hawaii, Duke's Waikiki, and HealthyPacific.org submitted written comments on this measure.

Your Committee finds that the hourly minimum wage in Hawaii has not increased since 2007. Since that time, the cost of living has risen steadily, while worker purchasing power has continued to diminish. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two or more jobs to maintain a basic standard of living. Your Committee believes that providing minimum wage workers with a higher hourly pay will further the economic recovery of Hawaii and help lift Hawaii's working poor out of poverty.

Your Committee has amended this measure by:

- (1) Deleting the proposed repeal of the tip credit and changing the existing tip credit and tip credit deactivation trigger amounts to unspecified sums;
- (2) Deleting language that increases the hourly minimum wage rate, starting January 1, 2018, based upon the Honolulu region consumer price index for urban wage earners and clerical workers;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of style, 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. 2609, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2609, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 2814 (Majority Ways and Means on S.B. No. 2827)**

The purpose and intent of this measure is to provide for a permanent means to modernize health care policy in the State.

Specifically, the measure makes permanent the temporary Health Care Transformation Program by:

- (1) Changing the name of the Health Care Transformation Program to the "Office of Health Care Transformation";
- (2) Transferring the Office of Health Care Transformation from the Office of the Governor to the State Health Planning and Development Agency in the Department of Health;
- (3) Establishing a special fund for the Office of Health Care Transformation; and
- (4) Changing the name of the State Health Planning and Development Agency to the "Hawaii Health Care Planning and Policy Authority".

Your Committee received written comments in support of this measure from the Office of the Governor, Hawaii Medical Service Association, Hawaii Health Information Exchange, Hoola Lahui Hawaii, East Hawaii Region - Hawaii Health Systems Corporation, and Hawaii Pacific Health. Written comments in opposition to this measure were received from Community Alliance for Mental Health. Written comments were submitted by the Office of Hawaiian Affairs.

Your Committee finds that pursuant to Act 224, Session Laws of Hawaii 2013, the Health Care Transformation Program will terminate on July 1, 2015. Your Committee, however, finds that establishing and funding a permanent Office of Health Care Transformation will be instrumental to the health and well-being of the State. A high-level health care transformation officer reporting to the Governor will ensure that the needs of Hawaii's patients remain a top priority for the Governor.

Your Committee has amended this measure by:

- (1) Consolidating separate provisions relating to the annual reports submitted to the Governor and the Legislature by the Health Care Transformation Officer;
- (2) Making conforming amendments to sections 323D-1, 323D-11, and the title of part II of chapter 323D, Hawaii Revised Statutes, to reflect the name change of the "State Health Planning and Development Program" to the "Hawaii Health Care Planning and Policy Program";
- (3) Clarifying that the official at the Hawaii Health Care Planning and Policy Authority who will prescribe the duties and qualifications of the transferred employees is the Administrator, rather than the Health Care Transformation Officer;
- (4) Clarifying that the appropriations, other funds, records, equipment, machines, and other material will be transferred to the Hawaii Health Care Planning and Policy Authority, rather than the Office of Health Care Transformation;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2827, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2827, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Dela Cruz, Kahele, Kidani, Thielen). Noes, 1 (Slom). Excused, 1 (Ruderman).

**SCRep. 2815 Ways and Means on S.B. No. 2884**

The purpose and intent of this measure is to amend the laws relating to the administration of parole.

Specifically, the measure:

- (1) Requires that funds disbursed to prison inmates upon discharge or parole be subject to legislative appropriation;
- (2) Prohibits the Hawaii Paroling Authority from granting early discharge to an inmate or parolee if the inmate is serving any portion of a court-ordered mandatory minimum sentence or the inmate or parolee owes restitution for an unexpired term; and
- (3) Makes discretionary the Hawaii Paroling Authority's decision to consider recommending a complete pardon to a prisoner who has been on parole for five years.

Your Committee received written comments in support of this measure from the Department of Public Safety, the Community Alliance on Prisons, and three individuals.

Your Committee finds that this measure would provide necessary clarifications to applicable statutes and include appropriate community protections.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2884, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2884, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2816 (Majority) Ways and Means on S.B. No. 2826**

The purpose and intent of this measure is to implement, upon ratification of a proposed amendment to the Hawaii State Constitution allowing the appropriation of public funds for private early childhood education programs, a statewide early childhood education program.

Your Committee received written comments in support of this measure from the Department of Human Services, the Executive Office on Early Learning, the University of Hawaii, Hawaii Association for the Education of Young Children, The Chamber of Commerce of Hawaii, Early Learning Advisory Board, Hawaii Business Roundtable, Good Beginnings Alliance, Aloha United Way, Hawaii P-20 Partnerships for Education, Hawaii Association of Independent Schools, and eighty-seven individuals.

Your Committee finds that a child's experience and surroundings during their formative years can have a lasting impact on their later success in school. Your Committee also finds that by providing a quality statewide early childhood education program, children will develop into successful adults who have a positive impact on society.

Your Committee has amended this measure by:

- (1) Defining the term "underserved children";
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes 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. 2826, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2826, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 1 (Ruderman).

**SCRep. 2817 Ways and Means on S.B. No. 2663**

The purpose and intent of this measure is to establish a framework to regulate geothermal resources development through a permitting process administered by the Board of Land and Natural Resources and the appropriate county authority.

The measure also:

- (1) Includes any producer or developer of electrical or thermal energy produced by geothermal resources within the definition of "renewable energy producer" under section 171-95, Hawaii Revised Statutes, as to whom the Board of Land and Natural Resources may grant a mining lease on state lands; and

- (2) Requires penalties, fees, and costs collected pursuant to chapter 182, Hawaii Revised Statutes, to be deposited into the special land and development fund.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources; the Department of Business, Economic Development, and Tourism; a Hawaii County Council Member; Indigenous Consultants, LLC; Innovations Development Group Inc.; Waimanalo Hawaiian Homes Association; and Huena Power. Written comments in opposition were received from Puna Pono Alliance. The Office of Hawaiian Affairs submitted written comments on the measure.

Your Committee finds that this measure recognizes the counties' home rule authority to regulate geothermal development within agricultural, rural, and urban districts. Your Committee believes that by authorizing the appropriate county authority to permit geothermal resource development permits, this measure restores local government oversight for the residents who will be most affected by geothermal energy facilities.

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 is in accord with the intent and purpose of S.B. No. 2663, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2663, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Chun Oakland, Ruderman, Thielen, Slom). Noes, none. Excused, none.

**SCRep. 2818 (Majority) Ways and Means on S.B. No. 702**

The purpose and intent of this measure is to establish, and assess against each defendant convicted of a felony or misdemeanor, the internet crimes against children fee to provide funding for law enforcement to combat internet crimes against children.

The measure also establishes a special fund for deposit of the internet crimes against children fee and other moneys to be used by the Department of the Attorney General to disburse funds to:

- (1) Provide equipment and training for law enforcement to investigate and prosecute internet crimes against children; and
- (2) Enable internet crime investigators to follow the trail of child pornography traffic to locate children in need of protection.

Your Committee received written comments in support of this measure from the Department of the Attorney General and PROTECT. The Department of Budget and Finance and the Department of Human Services submitted written comments on this measure.

Your Committee notes that a very small percentage of investigative leads related to internet crimes against children are examined every month due to limited funds, equipment, and training. Your Committee finds that imposing a fee on every defendant convicted of a felony or misdemeanor will help to establish funding for training and equipment necessary to enhance the investigation and prosecution of internet crimes against children.

Your Committee has amended this measure by:

- (1) Expanding the definition of "internet crimes against children" to include:
  - (A) Electronic enticement of a child in the first degree under section 707-756, Hawaii Revised Statutes;
  - (B) Electronic enticement of a child in the second degree under section 707-757, Hawaii Revised Statutes; and
  - (C) Promoting pornography for minors under section 712-1215, Hawaii Revised Statutes;
- (2) Changing the internet crimes against children fee to an unspecified amount;
- (3) Clarifying that moneys from the internet crimes against children special fund shall be used for the broader purpose of enabling law enforcement to investigate and prosecute internet crimes against children;
- (4) Deleting specific references to the Department of Public Safety and the Department of Human Services to permit the Department of the Attorney General greater flexibility in determining to which groups working to combat internet crimes against children the moneys in the special fund should be disbursed;
- (5) Adding an appropriation of an unspecified amount from the general revenues of the State to the internet crimes against children special fund and appropriating an unspecified amount from the internet crimes against children special fund to the Department of the Attorney General;
- (6) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (7) Making technical nonsubstantive amendments for the purposes of style, 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. 702, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 702, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, none.



**SCRep. 2819 (Majority) Ways and Means on S.B. No. 2768**

The purpose and intent of this measure is to improve educational opportunities for youth by making kindergarten attendance mandatory.

Specifically, this measure:

- (1) Makes kindergarten attendance mandatory for children who will be at least five years of age on July 31 of the school year;
- (2) Requires the Department of Education, in collaboration with the Executive Office on Early Learning, to develop a statewide kindergarten readiness program and a process to collect readiness assessment information and data;
- (3) Establishes an individualized kindergarten readiness assessment system within the Department of Education; and
- (4) Makes an appropriation to the Department of Education.

Your Committee received written comments in support of the measure from the University of Hawaii College of Education, the Hawaii State Teachers Association, the Hawaii Association for the Education of Young Children, the Executive Office on Early Learning, Hawaii P-20 Partnerships for Education, and one individual. Written comments were submitted by the Department of Human Services.

Your Committee finds that kindergarten attendance prepares children for elementary school by teaching fundamental reading, writing, and social development skills. Your Committee further finds that making kindergarten attendance mandatory for children who are at least five years old will help prepare them for educational achievement and continuing success.

Your Committee has amended this measure by:

- (1) Adding a section to reflect amendments to section 302A-411, Hawaii Revised Statutes, that will take effect on July 1, 2014;
- (2) Clarifying the age requirements that apply to mandatory kindergarten attendance and the process and tools used to assess individualized kindergarten readiness;
- (3) Changing the amount of the appropriation to an unspecified sum;
- (4) Changing the effective dates to July 1, 2050, to facilitate further discussion on the 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. 2768, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2768, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 2820 (Majority) Ways and Means on S.B. No. 2454**

The purpose and intent of this measure is to establish an agricultural genetically modified organism task force to determine whether the State should regulate the agricultural use of genetically modified organisms.

In addition, the measure:

- (1) Requires the task force to report its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2016; and
- (2) Appropriates an unspecified amount for administrative costs associated with the task force.

Your Committee received written comments in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, and one individual. Written comments in opposition were received from a Kauai County Council Member, Eco Hostel Hawaii, GMO Free Hawaii, Ihilani Coffee & Tropicals, and forty-nine individuals.

Your Committee finds that the use of genetically modified organisms in agricultural production is a controversial issue that deserves further discussion with regard to the challenges and opportunities presented by agricultural biotechnology and the potential need for regulation by the State. Your Committee believes that the task force established by this measure will provide for a careful and comprehensive examination of the facts, issues, and law relating to the agricultural use of genetically modified organisms.

Your Committee has amended this measure by:

- (1) Administratively attaching the task force to the Department of Agriculture;
- (2) Clarifying that the presidents of the Hawaii Farm Bureau Federation and the Hawaii Farmers Union United shall be invited to serve as members of the task force;
- (3) Providing that the members of the task force shall serve without compensation, but shall be reimbursed for their actual and necessary expenses in carrying out their duties;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2454, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2454, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Ruderman). Excused, 1 (Keith-Agaran).

**SCRep. 2821 Ways and Means on S.B. No. 2605**

The purpose and intent of this measure is to appropriate funds to the Hawaii Wing of the Civil Air Patrol to support operational mission readiness activities, including facilities maintenance.

Your Committee received written comments in support of this measure from the Hawaii Wing of the Civil Air Patrol and one individual.

Your Committee finds that this measure will provide funds for the activities of the Civil Air Patrol and the repair of its aging facility.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) 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 S.B. No. 2605, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2605, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 2822 (Majority) Ways and Means on S.B. No. 3041**

The purpose and intent of this measure is to support the growing craft beverage industry in Hawaii by applying a reduced gallonage tax on draft beer and beer other than draft beer brewed or produced by a small brewery or brewpub.

Your Committee received written comments in support of this measure from Island Distillers, Inc. and Manulele Distillers, LLC. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that Hawaii's liquor taxes are among the highest in the nation, which acts as a disincentive to manufacturing in the State. Your Committee further finds that this measure is intended to support the growing craft beverage industry in Hawaii, which will help to strengthen the State's economy by creating jobs and encouraging the growth of small businesses.

Your Committee is concerned that this measure may benefit small out-of-state breweries or brewpubs, but recognizes that constitutional parameters may prevent limiting the reduced tax to local small breweries and brewpubs.

Your Committee has amended this measure by:

- (1) Changing the amount of the tax to an unspecified amount; and
- (2) 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 S.B. No. 3041, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3041, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Chun Oakland, Kidani). Noes, 1 (Slom). Excused, none.

**SCRep. 2823 Ways and Means on S.B. No. 2004**

The purpose and intent of this measure is to extend to June 30, 2019, the repeal date of Act 21, Special Session Laws of Hawaii 2009, which requires home care agencies to be licensed by the Department of Health.

Your Committee received written comments in support of this measure from The Chamber of Commerce of Hawaii. Written comments on this measure were received from the Environmental Health Administration of the Department of Health.

Your Committee finds that home care agencies are a critical component of elderly care because the overwhelming majority of the increasing elderly population prefer to age in their own homes. Act 21, Special Session Laws of Hawaii 2009, was enacted to protect the consumers of home care agencies, by requiring the licensing of these agencies to ensure that minimum standards are met. However, the licensing program has not yet commenced pending the adoption of administrative rules that are in the final stage of the approval process. Your Committee finds that extending the repeal date of Act 21, Special Session Laws of Hawaii 2009, would allow the home care licensing program additional time to adopt rules and begin operation.

Your Committee also finds that funding is necessary for a full-time equivalent permanent position in the Department of Health to facilitate the licensing of home care agencies in compliance with Act 21, Special Session Laws of Hawaii 2009.

Your Committee has amended this measure by:

- (1) Adding a purpose section;
- (2) Adding an unspecified appropriation to the Department of Health for the establishment of one full-time equivalent (1.00 FTE) permanent position within the Department of Health to facilitate the licensing of home care agencies; and
- (3) Changing the effective date from July 1, 2014, to June 29, 2050, and for the appropriation section, adding an effective date of July 1, 2050, 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. 2004, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2004, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2824 Ways and Means on S.B. No. 3083**

The purpose and intent of this measure is to appropriate funds to the Department of Education to restore resources for school athletics and to increase the number of positions authorized for school athletics.

Your Committee received written comments in support of this measure from United Public Workers Hawaii, the Hawaii State Teachers Association, and three individuals. The Office of Hawaiian Affairs submitted written comments on the measure.

Your Committee finds that school athletics are an important part of a student's education. They provide a healthy and beneficial outlet for students to develop the necessary traits and characteristics to become valuable members of society. Your Committee further finds that in order to offer students the opportunity to participate in school athletics, the necessary athletic staff positions should be filled.

Your Committee has amended this measure by:

- (1) Changing the appropriation from \$2,000,000 to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, 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. 3083, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3083, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2825 Ways and Means on S.B. No. 3099**

The purpose and intent of this measure is to provide for the conversion of certain public employee positions from exempt to civil service status.

Specifically, the measure:

- (1) Amends relevant sections of the Hawaii Revised Statutes to require the conversion of civil service positions to conform to Act 253, Session Laws of Hawaii 2000, and Act 300, Sessions Laws of Hawaii 2006; and
- (2) Requires any civil service exemption created after July 1, 2014 for a position, to expire after three years of its enactment unless affirmatively extended by the Legislature.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association. Written comments were submitted by the Department of Land and Natural Resources.

Your Committee finds that there are inequities between civil service exempt employees and civil service employees. For example, exempt employees do not receive step increases in compensation and are not protected from a reduction-in-force. The Hawaii Government Employees Association has stated that the number of voluntary conversions has been small, and therefore, the process has not been effective. This measure mandates the conversion of exempt positions to civil service positions unless the exemption is extended by the Legislature. The purpose is to ensure fair and equitable compensation and benefits for all employees.

Your Committee notes that the State Historic Preservation Division of the Department of Land and Natural Resources has already begun to convert a number of its exempt positions to civil service positions. Your Committee urges the Department of Human Resources Development to work with the Historic Preservation Division to ensure that salaries within the Division are competitive with comparable positions in the private sector or comparable federal civilian positions.

Your Committee intends that the exemption, not position, be subject to expiration, and that the position shall convert to civil service unless the exemption is extended.

As affirmed by the record of votes of the members 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. 3099, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2826 (Majority) Ways and Means on S.B. No. 2804**

The purpose and intent of this measure is to incentivize the implementation of energy performance contracting projects by state agencies.

Specifically, this measure provides that:

- (1) Agencies entering into energy performance contracts will continue to receive pre-retrofit budget appropriation amounts and have access to financing options;
- (2) An energy performance contract has a maximum term of twenty-five years, including the construction period; and
- (3) Agencies implementing energy performance contracts provide annual reports to the Department of Business, Economic Development, and Tourism.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services and the Department of Business, Economic Development, and Tourism. The Department of Transportation submitted written comments on the measure.

Your Committee finds that incentivizing the use of energy performance contracting by state agencies will result in improved energy efficiency and reduced operating costs for the State.

Your Committee is concerned, however, that the twenty-five year maximum term for an energy performance contract may be too long. Accordingly, if this measure is approved by the House of Representatives, your Committee intends to further review the matter.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2804, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2804, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Kahele). Excused, none.

**SCRep. 2827 Ways and Means on S.B. No. 2697**

The purpose and intent of this measure is to amend the Hawaii Community Development Authority's procedures with respect to development proposals by requiring increased public input, public notice, infrastructure studies, notice to legislators, and authorizing appeals by those adversely affected by the decisions of the Hawaii Community Development Authority.

This measure also prevents the Hawaii Community Development Authority from amending the community development plan without authorization of the Legislature.

Your Committee received written comments in support of this measure from fifteen individuals. Written comments in opposition were received from the City and County of Honolulu Department of Environmental Services, The Howard Hughes Corporation, and Alexander & Baldwin, Inc. The Department of the Attorney General and the Hawaii Community Development Authority submitted written comments on this measure.

Your Committee notes that members of the community have expressed concern over the level of public input that the Hawaii Community Development Authority accepts prior to making its decisions, as well as the Authority's responsiveness toward community concerns. Your Committee finds that this measure will increase the accountability of the Hawaii Community Development Authority, raise community engagement in the development process, and establish a more transparent process for approving development projects.

Your Committee has amended this measure by:

- (1) Clarifying the requirement that the Hawaii Community Development Authority provide various documents to all members of the Legislature; and
- (2) Making technical nonsubstantive amendments for the purposes of style, 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. 2697, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2697, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kahele).

**SCRep. 2828 Ways and Means on S.B. No. 2540**

The purpose and intent of this measure is to establish a rental deposit loan program to assist low-income, elderly, and homeless individuals and families in obtaining rental housing by providing loans for security deposit and first month's rent payments.

The measure also appropriates \$5,000,000 to establish the rental deposit loan program.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation and EAH Housing.

Your Committee finds that one of the most difficult problems faced by low-income, elderly, and homeless persons in obtaining housing is the necessity of paying a security deposit in addition to paying the first month's rent. Your Committee believes that the rental deposit loan program established by this measure will help the State's vulnerable populations obtain adequate and stable permanent rental housing.

Your Committee has amended this measure by:

- (1) Clarifying that the security deposit will be returned to the tenant when the tenant vacates the premises;
- (2) Clarifying that the staff of the nonprofit organization assigned to administer the program shall provide information to prospective tenants on relevant provisions of the Residential Landlord-Tenant Code;
- (3) Clarifying that the staff of the nonprofit organization shall be available to property owners and tenants during normal business hours to answer questions or complaints about the program;
- (4) Changing the appropriation to an unspecified amount to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive changes 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. 2540, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2540, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2829 Ways and Means on S.B. No. 2517**

The purpose and intent of this measure is to address public charter school infrastructure needs.

Specifically, the measure:

- (1) Authorizes the State Public Charter School Commission to request the issuance of general obligation bonds to fund the design, planning, construction, repair, and maintenance of charter school facilities;
- (2) Authorizes the issuance of such bonds and appropriates the proceeds therefrom for fiscal year 2014-2015 for the purposes of this measure; and
- (3) Establishes the charter school facilities funding working group to prioritize the allocation of general obligation proceeds and requires an annual report to the Legislature on general obligation bond proceeds expenditures.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, the State Public Charter School Commission, Hawaii State Teachers Association, Kanu o ka Aina NCPCS, Hawaiian Educational Council, Hawaii Public Charter Schools Network, and thirteen individuals. Two individuals submitted written comments on this measure.

Your Committee notes that the repair, maintenance, and construction of charter school facilities must be expended from operational funds of the schools. Your Committee finds that authorizing the State Public Charter School Commission to request general obligation bonds from the Director of Finance will provide additional funding for charter schools to address facility shortcomings without expending operational funds.

Your Committee has amended this measure by:

- (1) Codifying in Chapter 302D, Hawaii Revised Statutes, relating to public charter schools, the provisions establishing the working group, the annual report, and the authority of the State Public Charter School Commission to request the issuance of general obligation bonds;
- (2) Changing the appropriation to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of style, 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. 2517, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2517, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 2830 Ways and Means on S.B. No. 2977**

The purpose and intent of this measure is to create a five-year pilot project authorizing the Department of Education to contract for the design, planning, and installation of fourth generation modular design buildings to maximize resources and better meet the growing and changing needs of Hawaii's public school campuses.

This measure also appropriates funds for the Department of Education to enter into a multi-year contract pursuant to this measure.

Your Committee received no written comments on this measure.

Your Committee finds that many public schools in the State do not have facilities that are adequate to handle increased enrollment and continued growth. Your Committee believes that fourth generation modular design buildings provide flexibility in design and use, reduce construction and energy costs, and provide healthy learning environments.

As affirmed by the record of votes of the members 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. 2977, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 2831 Ways and Means on S.B. No. 3094**

The purpose and intent of this measure is to allow each county to impose and enforce liens upon premises served for unpaid water or sewer charges after reasonable notice and after an opportunity for a hearing pursuant to chapter 91, Hawaii Revised Statutes.

In addition, this measure repeals the authority of the counties to take over from the State existing waterworks systems and sewer systems and to enlarge, develop, and improve those systems.

Written comments in opposition were received from the Hawaii Association of Realtors.

Your Committee finds that unnecessary costs and delays have prevented the counties from collecting on past due accounts for unpaid water or sewer charges. Your Committee further finds that granting each county the authority to impose and enforce liens, after giving proper notice, will provide additional revenues that the counties may direct towards needed repairs and improvements.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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. 3094, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3094, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Dela Cruz, English, Keith-Agaran). Noes, none. Excused, 1 (Kouchi).

**SCRep. 2832 (Majority) Ways and Means on S.B. No. 2497**

The purpose and intent of this measure is to ensure continued tobacco regulation and enforcement of relevant tax laws.

More specifically, this measure:

- (1) Increases the annual license fee for persons engaged as a wholesaler or dealer of cigarettes or tobacco products from \$2.50 to \$250;
- (2) Increases the annual retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and other tobacco products from \$20 to \$50; and
- (3) Specifies that revenue from the license and permit fees shall be used to support smoking cessation programs in the State.

Your Committee received written comments in support of this measure from the Coalition for a Tobacco-Free Hawaii and the American Cancer Society Action Network. Your Committee received written comments in opposition to this measure from the Hawaii Food Industry Association and the Hawaii Smokers Alliance. Your Committee received written comments on this measure from the Department of Taxation, Department of Health, and Department of Budget and Finance.

Your Committee finds that the annual license and permit fees imposed by the State are relatively low when compared to other states that impose similar fees. Your Committee also finds that the Hawaii Tobacco Prevention and Control Trust Fund is an appropriate mechanism to fund tobacco cessation programs in the State.

Your Committee has amended this measure by:

- (1) Changing the annual license and permit fees to unspecified amounts;
- (2) Deleting the requirement that general revenues from the license and permit fees be used to support smoking cessation programs in the State, in recognition that expenditure of general revenues is subject to specific legislative appropriation, and not earmarking by statute;
- (3) Replacing the deleted language with a requirement that revenues from the license and permit fees be deposited into the Hawaii Tobacco Prevention and Control Trust Fund to ensure that the revenues are used for tobacco prevention and control programs, as provided in section 328L-5, Hawaii Revised Statutes;
- (4) Changing the effective date to January 1, 2050, 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. 2497, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2497, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 2833 Health on Gov. Msg. Nos. 572 and 573**

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, WEST OAHU SUBAREA

G.M. No. 572 FREDERICK SHAW, for a term to expire 6-30-2017; and

G.M. No. 573 EMELYN KIM, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Frederick Shaw and Emelyn Kim to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Health Planning Council, West Oahu Subarea.

FREDERICK SHAW

Your Committee received testimony in support of the nomination of Mr. Shaw from the Department of Health and Kaiser Permanente.

Mr. Shaw received his Master of Business Administration and Bachelor of Science degrees from California State University. Mr. Shaw currently works as a Senior Analyst of Medical Economics at Kaiser Permanente. Prior to this position, Mr. Shaw worked as a Financial Analyst for Kaiser Permanente. In addition, Mr. Shaw has worked in information technology and finance positions at AlohaCare, Hawaii Medical Service Association, and Waianae Coast Comprehensive Health Center.

Your Committee finds that Mr. Shaw has an extensive background in health care. Your Committee further finds that Mr. Shaw is active in the community and has held key positions in many organizations, especially on the Waianae Coast. Mr. Shaw expressed to your Committee that he appreciates the opportunity to make decisions that affect the health care of individuals in West Oahu as a member of the Health Planning Council, West Oahu Subarea.

EMELYN KIM

Your Committee received testimony in support of the nomination of Ms. Kim from the Department of Health, Kapiolani Community College, and Honolulu Information Service, Inc.

Ms. Kim received a Master of Science degree in Counseling with Gerontological Specialization from San Francisco State University. She received a Bachelor of Arts degree in Psychology and Undergraduate Certificate in Aging from the University of Hawaii at Manoa.

Ms. Kim currently serves as a consultant and provides services relating to individual and family group counseling and caregiver training through her own business for kupuna care. She has worked with various non-profits and has a strong background in programs and services for an aging society. In addition, Ms. Kim developed educational programs for elder care at Kapiolani Community College.

Ms. Kim expressed to your Committee that she is looking forward to learning more about the legislative process through her appointment to the Health Planning Council, West Oahu Subarea. Your Committee finds that Ms. Kim's significant experience and expertise in health care support for elders and their caregivers make her a valuable resource to the Health Planning Council, West Oahu Subarea.

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, none.

**SCRep. 2834 Health on Gov. Msg. No. 574**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, TRI-ISLE SUBAREA

G.M. No. 574 ELAINE SLAVINSKY, for a term to expire 6-30-2018

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Elaine Slavinsky to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Health Planning Council, Tri-Isle Subarea.

Your Committee received testimony in support of the nomination of Ms. Slavinsky from the Department of Health.

Ms. Slavinsky received Master's degrees in Public Health and Educational Administration from the University of Hawaii. She received a Bachelor of Arts degree in Political Science from the University of Massachusetts. Additionally, Ms. Slavinsky received an Associate's degree in Nursing from Massachusetts Bay Community College.

Ms. Slavinsky is a registered nurse and is currently working with the Maui County Office on Aging on a discharge planning contract. From 1979 to 2011, Ms. Slavinsky served in important positions with health care organizations, including Program Director for the Alzheimer's Association in Maui, Clinical Director for Hospice Maui, and Director of Nursing for Maui Memorial Medical Center.

Ms. Slavinsky's community service includes chairing the Tri-Isle Subarea Health Council, as well as serving on the Drug Free Hawaii's Speaker Bureau, Maui County Mayor's Health Council, Hawaii College of Traditional Oriental Medicine, and Disaster

Medical Assistance Team. Your Committee finds that Ms. Slavinsky's extensive knowledge, professional experience, and community service will be great assets to the Health Planning Council, Tri-Isle Subarea.

Your Committee notes that an amendment was made to correct a typographical error in the nominee's name as stated on Governor's Message No. 574.

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, none.

**SCRep. 2835 Health on Gov. Msg. No. 575**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, KAUAI SUBAREA

G.M. No. 575 KATHLEEN CLARK, for a term to expire 6-30-2018

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Kathleen Clark to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Health Planning Council, Kauai Subarea.

Your Committee received testimony in support of the nomination of Ms. Clark from the Department of Health; Office of the Mayor, County of Kauai; and Hawaii Pacific Health.

Ms. Clark received a Master of Business Administration degree from the University of Redlands, Bachelor of Science degree in Nursing from California State University, Bachelor of Science in Nursing Completion Program from Grand View College, and Associate's degree in Nursing from Des Moines Area Community College.

Ms. Clark currently serves as President and Chief Executive Officer of Wilcox Memorial Hospital, a seventy-one bed acute care facility in Lihue, Kauai. Prior to joining the Wilcox Memorial Hospital, Ms. Clark worked at the Riverside San Bernardino County Indian Health, Inc.; Community Hospital of Monterey Peninsula; Desert Regional Medical Center; Santa Barbara Cottage Hospital; Mercy Hospital Medical Center; and Story County Hospital.

Your Committee finds that Ms. Clark is an active community leader and shows a deep commitment to the caring and well-being of the people of Kauai. Ms. Clark serves on the Kauai Rural Health Board, Kauai Economic Development Board, Kauai Chamber of Commerce, and Kauai Filipino Chamber of Commerce.

Your Committee finds that Ms. Clark has over three decades of experience in health care. Your Committee further finds that Ms. Clark's knowledge, expertise, and experience make her a valuable resource to the Health Planning Council, Kauai Subarea.

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, none.

**SCRep. 2836 Agriculture on Gov. Msg. No. 521**

Recommending that the Senate advise and consent to the nomination of the following:

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 521 ROGERENE ARCE, for a term to expire 6-30-2015

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Rogerene Arce to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Molokai Irrigation System Water Users Advisory Board.

Your Committee received testimony in support of this nominee from the Department of Agriculture; Maui County Council; Hawaii Farm Bureau Federation; Molokai Farm Bureau; College of Tropical Agriculture and Human Resources, Cooperative Extension Service at the University of Hawaii at Manoa; Monsanto; Maui County Farm Bureau; and three individuals.

Ms. Arce is a long-time resident of Molokai and holds an agricultural homestead lease from the Department of Hawaiian Home Lands where she raises livestock. She is currently a Manufacturing Technician for Monsanto and an interim member of the Molokai Irrigation System Water Users Advisory Board, representing non-homestead farmer users. Ms. Arce has a wealth of experience in the agricultural industry on Molokai. Among other jobs, she worked for several years as a Papaya Inspector and later as a Junior Extension Agent for the Hawaiian Home Lands Education Program with the University of Hawaii at Manoa, where she worked closely with subsistent growers, commercial farmers, and 4-H youth for seventeen years. She possesses a Bachelor of Science in Agriculture and has extensive knowledge and experience in farm planning, crop development, native plants, hydroponics, agroforestry, subsistence gardening, and poultry production. As a farmer, teacher, and community advocate, Ms. Arce is intimately familiar with the Molokai Irrigation System and will be an asset to the Molokai Irrigation System Water Users Advisory Board.

As affirmed by the record of votes of the members of your Committee on Agriculture 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 (Wakai).

**SCRep. 2837 (Joint) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 29**

The purpose and intent of this measure is to urge the State to take the same position as the City and County of Honolulu to develop Kapolei as the “Second City”.

Your Committees did not receive any testimony on this measure.

Your Committees find that in the early 1970s, the City and County of Honolulu’s Planning Department began a general plan revision program that focused on directing growth to Ewa. The general plan revision program culminated with the adoption of a new Oahu general plan in 1977 and designated the city of Kapolei as a “Secondary Urban Center” in order to “relieve developmental pressures in the urban fringe and rural areas”. Because such development would ideally provide relief from horrific traffic congestion and more evenly distribute the rapidly increasing population, the State, county agencies, private developers, and former Governor John Waihee began advocating for urban development in other regions of Oahu.

Your Committees further find that developing Kapolei as a “Second City” will be a prime example of state and county coordination in meeting the housing and population problems on Oahu, which will help direct future legislation toward more economic development, including jobs, housing, emerging industries, and education, to Leeward Oahu.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 29 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, English).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 2838 (Joint) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on S.R. No. 10**

The purpose and intent of this measure is to urge the State to take the same position as the City and County of Honolulu to develop Kapolei as the “Second City”.

Your Committees did not receive any testimony on this measure.

Your Committees find that in the early 1970s, the City and County of Honolulu’s Planning Department began a general plan revision program that focused on directing growth to Ewa. The general plan revision program culminated with the adoption of a new Oahu general plan in 1977 and designated the city of Kapolei as a “Secondary Urban Center” in order to “relieve developmental pressures in the urban fringe and rural areas”. Because such development would ideally provide relief from horrific traffic congestion and more evenly distribute the rapidly increasing population, the State, county agencies, private developers, and former Governor John Waihee began advocating for urban development in other regions of Oahu.

Your Committees further find that developing Kapolei as a “Second City” will be a prime example of state and county coordination in meeting the housing and population problems on Oahu, which will help direct future legislation toward more economic development, including jobs, housing, emerging industries, and education, to Leeward Oahu.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 10 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, English).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 2839 Agriculture on Gov. Msg. No. 522**

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRPERSON, DEPARTMENT OF AGRICULTURE

G.M. No. 522 SCOTT ENRIGHT, for a term to expire 12-1-2014

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Scott Enright to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated as the Chairperson of the Board of Agriculture.

Your Committee received testimony in support of this nominee from Governor Neil Abercrombie; Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Office of Planning; Department of Transportation; Department of Labor and Industrial Relations; Department of Accounting and General Services; Department of Budget and Finance; Department of Human Resources Development; Department of Hawaiian Home Lands; Commission on Water Resource Management;

County of Hawaii Department of Research and Development; University of Hawaii at Hilo; Agribusiness Development Corporation; Ulupono Initiative; Maui Cattle Company; 4 Ag Hawaii; Kukaiaiu Ranch, LLC; Hawaii Cattlemen's Council, Inc.; Ponoholo Ranch, Ltd.; Kualoa Ranch; Hawaii Tropical Flowers & Foliage Association, Kauai Chapter; Armstrong Produce; Syngenta Hawaii; Monsanto Co.; Meadow Gold Dairies; Sugarland Growers Inc.; KK Ranch; Paina Hawaii; Kauai County Farm Bureau; Hawaii Aquaculture & Aquaponics Association; Greenwell Farms; Hawaii Food Industry Association; Hawaii Fish Company Inc.; Hawaii Agriculture Research Center; Royal Kona Coffee Visitor Center Mill & Museum; Hawaii Coffee Association; Hawaii Farm Bureau Federation; Molokai Farm Bureau; Hawaii Food Manufacturers Association; Hawaii Coffee Growers Association; Kona Coffee Council; Kauai Island Utility Cooperative; Nalo Farms, Inc.; Hawaiian Landscape Company; Matsuda-Fukuyama Farms; Alexander & Baldwin, Inc.; Nature Conservancy; Young Brothers; Maui County Farm Bureau; Building Industry Association; DuPont Pioneer; Hashimoto Persimmon Farms; Hawaii Regional Council of Carpenters; Hawaii Green Growth; The Chamber of Commerce of Hawaii; Kalama Evans Construction, LLC; Kanalani Ohana Farm; Tea Chest; Kohala Center; Hawaii Laborers-Employers Cooperation and Education Trust; Hawaii 4-H Council; Aloha Products; RMA Sales; Coordinating Group on Alien Pest Species; Hawaii Crop Improvement Association; Hawaii Floriculture and Nursery Association; and sixty-nine individuals. Your Committee received testimony in opposition to the nominee from three individuals. Your Committee received comments from two individuals.

Mr. Enright earned a Bachelor's degree in Psychology and Philosophy from the University of Hawaii at Hilo. He went on to earn a Master of Science in Conflict Analysis and Resolution from George Mason University. Throughout his career, Mr. Enright has held a number of positions providing him with a wealth of experience in the agricultural industry in Hawaii. He served as the Orchard Superintendent for Kilauea Agronomic, managing field operations for a 500 acre guava orchard; as the Cultivation and Irrigation Superintendent for Hamakua Sugar Company, managing a 30,000 acre sugar plantation; as a Project Manager for ITC Water Management, Inc.; and as a Consultant to Cordon Technologies, LLC, planning and developing innovative agricultural techniques and conservation processes to increase food and energy independence and security on the Big Island. Since February 2012, he has served as Deputy to the Chairperson of the Board of Agriculture.

Mr. Enright has also served on a number of commissions and boards in the community, including the Community Development Plan Steering Committee for Hamakua District, Environmental Management Commission for the County of Hawaii, and Hilo-Hamakua Community Development Corporation Board, and as Chair of the Board of the Agribusiness Development Corporation. He is currently the Co-Chair of the Hawaii Invasive Species Council and the Interim Chairperson of the Board of Agriculture. Along with Mr. Enright's tremendous leadership and managerial skills, his extensive experience in sustainable agriculture and water management makes him ideally suited to be the Chairperson of the Board of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture 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, 7. Noes, none. Excused, none.

**SCRep. 2840 Health on Gov. Msg. Nos. 568 and 569**

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. 568 LUCAS BRUNO, for a term to expire 6-30-2018; and

G.M. No. 569 ROBERT COLLESANO, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Lucas Bruno and Robert Collesano to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Mental Health and Substance Abuse, Maui Service Area Board.

LUCAS BRUNO

Your Committee received testimony in support of the nomination of Mr. Bruno from the Department of Health.

Your Committee notes that Mr. Bruno received a Master of Arts degree in Marriage and Family Therapy from Argosy University. He holds professional licenses for Marriage and Family Therapy and Acupuncture in Hawaii. Additionally, Mr. Bruno is certified as a Substance Abuse Counselor and Diplomate in Co-occurring Disorders by the Alcohol and Drug Abuse Division in Hawaii.

Your Committee finds that Mr. Bruno currently serves as a Psychiatric Social Worker. Prior to this position, Mr. Bruno worked as a Senior Probation Officer in the justice system. He is a member of the American Association of Marriage and Family Therapists.

Your Committee further finds that Mr. Bruno is a seasoned clinician who works closely with persons living with mental illness. Mr. Bruno understands the needs of this population and the systems that serve them, and he will be an asset to the Mental Health and Substance Abuse, Maui Service Area Board.

ROBERT COLLESANO

Your Committee received testimony in support of the nomination of Mr. Collesano from the Department of Health.

Mr. Collesano received a Bachelor of Arts degree in Sociology from Georgetown University and engaged in studies toward a Master's of Theology at St. John's College. Additionally, Mr. Collesano has certification training for computer networking and hardware repair.

Mr. Collesano has over twenty-five years of experience providing direct services to adults and adolescents with substance abuse, mental illness, and developmental delay challenges. He currently serves as the Maui County Director of Mental Health America of Hawaii. As Director, Mr. Collesano manages all aspects of the Maui branch, including working with the local advisory board,

fundraising, and coordinating with the statewide office to provide Maui with mental health and substance abuse education, advocacy, and support services.

Your Committee finds that Mr. Collesano has a passion for helping adults and children living with mental illness and substance abuse, as evidenced by his work as a case manager, counselor, supervisor, and director of programs in Florida, New York, and Hawaii. Your Committee further finds that Mr. Collesano will provide the Mental Health and Substance Abuse, Maui Service Area Board with a wealth of knowledge, experience, and expertise.

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, none.

**SCRep. 2841 Health on Gov. Msg. Nos. 570 and 571**

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 570 THOMAS SCOTT GALLACHER, for a term to expire 6-30-2018; and

G.M. No. 571 NORA NOMURA, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Thomas Scott Gallacher and Nora Nomura to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Statewide Health Coordinating Council.

THOMAS SCOTT GALLACHER

Your Committee received testimony in support of the nomination of Dr. Gallacher from the Department of Health.

Dr. Gallacher received a Doctor of Medicine degree from the John A. Burns School of Medicine, University of Hawaii. He received a Master of Science degree in Pharmacology from the University of Hawaii and Bachelor of Science degree in Biological Sciences from the University of Southern California. Additionally, Dr. Gallacher is certified by the American Board of Internal Medicine in Critical Care, Pulmonology, and Internal Medicine.

Dr. Gallacher currently serves as the Medical Director of the Medical Intensive Care Unit at The Queen's Medical Center. In addition to his director position, Dr. Gallacher works as an Intensivist at The Queen's Medical Center, as well as an Assistant Professor of Medicine at the John A. Burns School of Medicine, University of Hawaii.

Your Committee finds that Dr. Gallacher is committed to serving the people of Hawaii, as evidenced by his most recent effort to create and support a Pulmonary Medicine Clinic on Molokai. Through his position in the Department of Medicine at The Queen's Medical Center, Dr. Gallacher is responsible for leading Native Hawaiian Health projects, which result in fewer readmissions to the hospital for Native Hawaiian patients. Dr. Gallacher's significant experience and knowledge in medical care have proven to be valuable resources to the Statewide Health Coordinating Council, and he will continue to contribute to the Council's efforts with his reappointment.

NORA NOMURA

Your Committee received testimony in support of the nomination of Ms. Nomura from the Department of Health, Mestizo Association, and Hawaii Government Employees Association.

Ms. Nomura received a Bachelor of Arts degree from the University of Hawaii at Manoa. For over thirty years, Ms. Nomura devoted her professional career to the Hawaii Government Employees Association. In 2011, Ms. Nomura retired from the Hawaii Government Employees Association as the Deputy Executive Director. While at the Hawaii Government Employees Association, Ms. Nomura provided representation for almost 28,000 union members in contract negotiation and enforcement; bargaining unit governance, training, and education; legislative and political action; and community service.

Ms. Nomura has served as a board member of the Aloha United Way, Domestic Violence Action Center, AFL-CIO, and various other state boards and commissions, including the Board of Speech Pathology and Audiology, Real Estate Commission, and Patsy T. Mink Commission. Your Committee finds that Ms. Nomura's professional experience and public service make her an ideal candidate for the Statewide Health Coordinating Council. Your Committee further finds that Ms. Nomura will greatly enhance the Statewide Health Coordinating Council's ability to engage in community initiatives and health planning.

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, none.

**SCRep. 2842 Health on Gov. Msg. No. 511**

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. 511 ANTONETTE TORRES, for a term to expire 6-30-2017

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Antonette Torres to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Health Systems Corporation.

Your Committee received testimony in support of the nomination of Ms. Torres from the Department of Health; Hawaii Health Systems Corporation; Kauai Region Board, Hawaii Health Systems Corporation; and three individuals.

Ms. Torres received a Bachelor of Science degree in Nursing from the University of Hawaii at Manoa.

Ms. Torres currently serves as the Public Health Nursing Director for the Kauai District Health Office of the Department of Health. In this capacity, Ms. Torres assures the service delivery of core functions of public health nursing in the areas of health and wellness, communicable diseases, school health, and emergency preparedness.

Your Committee notes that Ms. Torres is very involved in public service as a member of the Community Health Needs Assessment Steering Committee, volunteer for the Medical Reserve Corps, and lead organizer of Tropic Care Kauai. Additionally, Ms. Torres has been awarded numerous honors, including the Humanitarian Award for Health from the Kauai Rotary and Health Professional of the Year from the Kauai Filipino Chamber of Commerce.

Your Committee finds that Ms. Torres has extensive administrative and public health expertise, as well as a proven track record of strong, decisive, and visionary leadership. Ms. Torres has a passion for health care, as demonstrated through her involvement in numerous public health fairs and immunization clinics. Your Committee further finds that Ms. Torres' continued contributions as a member of the Board of Directors of the Hawaii Health Systems Corporation will serve the future of Hawaii very well.

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, none.

**SCRep. 2843 Health on Gov. Msg. No. 576**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 576 LEONARDINE NELSON, for a term to expire 6-30-2017

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Leonardine Nelson to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Health Planning Council, Honolulu Subarea.

Your Committee received testimony in support of the nomination of Ms. Nelson from the Department of Health.

Ms. Nelson received a Master of Science degree in Healthcare Management and a Bachelor of Science degree in Business Management from California Coast University. Ms. Nelson also received an Associate of Arts degree in Liberal Arts from the University of Hawaii. In addition, Ms. Nelson received a vocational nurse license from Los Angeles Unified City Schools.

Since 1996, Ms. Nelson has served as the Director for the Medicare Quality Improvement Organization for Hawaii, Guam, America Samoa, and the Commonwealth of the Northern Mariana Islands. As Director, Ms. Nelson oversees the administration of the Medicare Quality Improvement Organization contract requirements through strategic staffing, services, and cost-effective financial management. She also works with many community stakeholders who advocate for or work with Medicare beneficiaries across Hawaii and the Pacific. In the past, Ms. Nelson held various positions in the health care industry, which include working in hospitals as the Director of Staff Development, Utilization Review Coordinator, Coding Specialist, and Staff Nurse.

Your Committee finds that Ms. Nelson has a vast knowledge of the health care system. Your Committee further finds that Ms. Nelson's expertise and experience will enable her to improve health care services through her contributions to the Health Planning Council, Honolulu Subarea.

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, none.

**SCRep. 2844 Technology and the Arts on Gov. Msg. No. 559**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII HISTORIC PLACES REVIEW BOARD

G.M. No. 559 GEORGE CASEN, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Mr. Casen to possess the requisite qualifications to be nominated to the Hawaii Historic Places Review Board for a second term.

Your Committee received testimony in support of the nomination of Mr. Casen from the Department of Land and Natural Resources and eight individuals.

Mr. Casen has seventeen years of experience as an architectural historian, including seven years of experience as an environmental planner. He is a graduate of the State University of New York at Stony Brook and has a Master of Science in Secondary Education and History from Long Island University, New York, and a Master of Urban and Regional Planning and Graduate Certificate in Historic Preservation from the University of Hawaii at Manoa.

Mr. Casen has served on the Hawaii Historic Places Review Board since July 2011. He has attended every meeting during his appointment and remains dedicated to the preservation of significant historic sites. As an architectural historian and environmental planner, Mr. Casen brings a unique and thoughtful perspective to the Hawaii Historic Places Review Board.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts 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 (Ihara, Slom).

**SCRep. 2845 Education on H.B. No. 2598**

The purpose and intent of this measure is to:

- (1) Rename the Hawaii 3R's school repair and maintenance fund as the Hawaii 3R's school improvement fund; and
- (2) Require the transfer of monies collected pursuant section 235-102.5(b), Hawaii Revised Statutes, and any other monies received in the form of grants and donations for school-level improvement and minor repairs and maintenance to the Hawaii 3R's school improvement fund.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii 3R's, and Hawaiian Electric Company.

Your Committee finds that for more than a decade, Hawaii 3R's has provided a valuable service of bringing much needed improvements to the State's public schools. Section 235-102.5(b), Hawaii Revised Statutes, enables taxpayers to elect to make donations toward the school-level minor repairs and maintenance special fund by checking off a box on their individual income tax return. When passed, the section was intended to facilitate funding for the repair and maintenance of Hawaii's public schools. This measure ensures that the monies received through the taxpayer-elected donations are transferred to Hawaii 3R's for the continued improvement of Hawaii's schools.

This measure also recognizes Hawaii 3R's changing role in building a greater sense of community around the schools it assists and allows monies to be applied to projects that facilitate a broader array of educational purposes.

Your Committee has amended this measure by inserting an effective date of July 1, 2014.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2598, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2598, 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. 2846 Economic Development, Government Operations and Housing on H.B. No. 2626**

The purpose and intent of this measure is to establish a temporary, nonrefundable income tax credit for taxpayers who incur certain expenses for manufacturing products in Hawaii.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; The Chamber of Commerce of Hawaii; Hawaii Strategic Development Corporation; Hawaii Farm Bureau; Hawaii Food Industry Association; Meadow Gold Dairies; and KYD, Inc. dba K. Yamada Distributors. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that as one of the most isolated land masses on Earth, Hawaii must import approximately ninety percent of all products consumed annually. However, manufacturers in Hawaii produce goods that are in demand across the United States and around the world. Thus, developing and supporting manufacturing in Hawaii could serve two purposes. First, in-state manufacturing could reduce Hawaii's need to import consumer products. Second, Hawaii could export more products made in state, leading to greater economic development.

Your Committee further finds that providing a manufacturing tax credit would provide financial benefits to manufacturers in Hawaii, thereby increasing their growth. The tax credit would also encourage other manufacturers to begin operations in Hawaii, thereby strengthening Hawaii's economy.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 3082, S.D. 2, Regular Session of 2014, which are substantively similar, except that:
  - (A) The amount of the tax credit, as a percentage of the qualified manufacturing costs incurred during the taxable year, is blank;
  - (B) The cap on manufacturing tax credits that may be claimed per taxpayer is blank; and
  - (C) The effective date is July 1, 2050; and

- (2) 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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2626, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2626, 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 (Baker, Chun Oakland, Thielen).

**SCRep. 2847 Economic Development, Government Operations and Housing on H.B. No. 1702**

The purpose and intent of this measure is to create a capital infrastructure tax credit for tenants displaced by the Kapalama container terminal project and banks and other financial corporations for costs related to capital investments on state land incurred due to the displacement.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, Pacific Shipyards International, and seventy individuals. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the Department of Transportation and Tax Foundation of Hawaii.

Your Committee finds that development of a new overseas container terminal and piers at the lower Kapalama military reservation site requires improvements on fast and submerged lands associated with piers twenty-four through twenty-eight to accommodate maritime dependent operators at Kapalama who are to be evicted and displaced. The total cost for the proposed master plan at the Kapalama site is estimated to be \$243,000,000. However, none of these funds will go toward assisting displaced maritime and waterfront dependent tenants of the Kapalama site. These tenants must find ways to finance not only their move, but also significant capital improvements to state-owned land.

Your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 2322, S.D. 2, which are substantively similar, except that the measure:

- (1) Allows investors who make investments in qualified infrastructure tenants, rather than the qualified infrastructure tenants, to qualify for the capital infrastructure tax credit;
- (2) Defines "capital infrastructure costs" to mean capital expenditures, as defined in Section 263 of the Internal Revenue Code and the regulations promulgated thereunder; provided that the capital expenditures are paid or incurred in connection with the displaced tenant's move of the tenant's current active trade or business to the tenant's new location;
- (3) Recaptures an unspecified percentage of the capital infrastructure tax credit if the qualified infrastructure tenant does not meet certain conditions at the close of any taxable year;
- (4) Requires the Director of Taxation to prepare any forms that may be necessary to claim a credit under this measure; and
- (5) Has an effective date of July 1, 2050, and does not include a repeal date.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1702, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1702, 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 (Baker, Chun Oakland, Thielen).

**SCRep. 2848 Economic Development, Government Operations and Housing on H.B. No. 2611**

The purpose and intent of this measure is to establish a State Capitol Management Committee to oversee the general operation and management of the Hawaii State Capitol and its grounds and facilities.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Public Safety, and one individual.

Your Committee finds that the facilities and grounds of the Hawaii State Capitol hold a unique and special place in the hearts of the citizens of the State. Its unique, welcoming architecture symbolizes Hawaii's spirit of Aloha and island community and is the place where the State's constitutionally established legislative process is exercised. As the Legislature occupies three-quarters of the State Capitol building and is a branch of government separate from that of the Department of Accounting and General Services, which maintains the State Capitol, your Committee finds that the Legislature should have more direct input into the operations and management of the building. Separate operations and management oversight should be established to ensure that the facilities and grounds of the Hawaii State Capitol are secure, properly maintained, and operated in a manner that meets the needs and expectations of its tenants and the general public.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2611, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2611, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Thielen).

**SCRep. 2849 Economic Development, Government Operations and Housing on H.B. No. 2253**

The purpose and intent of this measure is to:

- (1) Expand funding sources to support the Hawaii Film Studio and Office and film and digital media industry development within the Department of Business, Economic Development, and Tourism;
- (2) Repeal statutory sections relating to the Hawaii Television and Film Development Board, which has been inactive for many years and no longer serves its original purpose;
- (3) Require Hawaii film and digital media development special fund movies to be used by the Department of Business, Economic Development, and Tourism for purposes that benefit the Hawaii Film Studio and Office and the digital media industry; and
- (4) Appropriate funds into the Hawaii film and digital media development special fund and to be expended by the Department of Business, Economic Development, and Tourism.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that Hawaii has the status of being a dynamic and stunning film production center and is also blessed with a vibrant and growing entertainment economy. According to the Department of Business, Economic Development, and Tourism, film production activity is on the rise and on course to increase in 2014. This rise in activity is expected to have a positive impact on the economy of Hawaii through job creation, increased tax revenues, and priceless marketing exposure for Hawaii's visitor industry on a global scale. However, the costs to support, manage, and maintain programs tasked with promoting and developing Hawaii as a film destination as well as the costs associated with maintaining the Hawaii Film Studio exceed present allocated funding. This measure provides a dedicated source of funding for this purpose.

Your Committee has amended this measure by:

- (1) Inserting, as part II of this measure, the contents of S.B. No. 2776, S.D. 2, which:
  - (A) Requires the Board of Directors of the High Technology Development Corporation to establish a creative film and media park to facilitate economic growth of the creative film and media industry by locating film and media entities in a designated geographic hub;
  - (B) Designates certain properties to be included in a creative film and media park; and
  - (C) Appropriates funds to establish the creative film and media park; and
- (2) 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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2253, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2253, 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, Chun Oakland, Thielen).

**SCRep. 2850 Economic Development, Government Operations and Housing on H.B. No. 2147**

The purpose and intent of this measure is to exempt the airport operation of concessions for wireless and communication services and for advertising from the public concession bidding process.

Your Committee received testimony in support of this measure from the Department of Transportation and Stadium Authority.

Your Committee finds that the rapid development of technology has altered the way in which advertising and sales are rendered. Similarly, communications technology evolves quickly to accommodate changing needs for connectivity and compatibility with personal hardware. As such, flexible procedures are needed within government contracts to ensure efficiency and best economic results.

Your Committee has amended this measure by:

- (1) Inserting language to also exempt the Stadium Authority's operation of concessions for wireless and communication services and for advertising from the public concession bidding process; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2147, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2147, 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, Chun Oakland, Thielen).

**SCRep. 2851 Economic Development, Government Operations and Housing on H.B. No. 2188**

The purpose and intent of this measure is to repeal the Waialua loan and subsidy program, Kikala-Keokea housing revolving fund, and Kikala-Keokea infrastructure development fund.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Hawaii Housing Finance and Development Corporation.

Your Committee finds that certain funds and programs are effectively non-functional, having fulfilled their intended purpose. Any monies still remaining in programs like the Waialua loan and subsidy program, Kikala-Keokea housing revolving fund, and Kikala-Keokea infrastructure development fund would serve the State more effectively if they were deposited into an active fund or to the credit of the general fund.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2188, 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 (Baker, Chun Oakland, Thielen).

**SCRep. 2852 Commerce and Consumer Protection on H.B. No. 1503**

The purpose and intent of this measure is to void rental agreement provisions that allow for the eviction of a tenant who has a valid certificate for the medical use of marijuana unless:

- (1) The rental agreement allows for eviction for smoking tobacco and the medical marijuana is consumed by smoking; or
- (2) The articles of incorporation, declaration, bylaws, administrative rules, house rules, association documents, or similar documents of a condominium property regime or planned community association prohibit the medical use of marijuana.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Drug Policy Action Group, American Civil Liberties Union of Hawai'i, and seven individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Hawai'i Association of REALTORS and one individual.

Your Committee finds that although this measure makes some important clarifications about the use of medical marijuana by a tenant with a valid certificate for the medical use of marijuana, it does not introduce any new rights for Hawaii tenants. Rather, this measure clarifies that if smoking tobacco is banned in a residential setting, then smoking medical marijuana is also banned. However, absent a ban on tobacco smoking, the use of medical marijuana is not banned per se under this measure.

Although your Committee has heard the concerns that this measure gives tenants with a valid certificate for the medical use of marijuana protection against eviction in any circumstances, your Committee finds that these concerns do not accurately reflect the intent of this measure. If a tenant fails to pay rent or otherwise violates a specific lease provision, this measure does not shield that tenant from an eviction process that is unrelated to the medical use of marijuana. Your Committee further finds that the use of medical marijuana by a tenant, as proposed by this measure, is not intended to supersede other provisions in a rental agreement, such as timely payment of rent.

Finally, your Committee notes that should this measure be enacted, additional time will be necessary for rental agreement forms to be updated in conformance with the requirements of this measure.

Accordingly, your Committee has amended this measure by inserting an effective date of November 1, 2014.

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, 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 Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2853 Commerce and Consumer Protection on H.B. No. 1579**

The purpose and intent of this measure is to clarify that money judgments, orders, and decrees are valid liens against all real property, including registered property, when properly recorded in the Bureau of Conveyances.

Your Committee received testimony in support of this measure from the Collection Law Section of the Hawaii State Bar Association, Hawaii Council of Associations of Apartment Owners, Community Association Institute, and two individuals.

Your Committee finds that the current process for a judgment creditor to encumber the property of a judgment debtor that has been registered with the Land Court is complex and burdensome. This measure simplifies the process for judgment creditors to attach money judgment liens to registered property without having to amend the judgment or attach a flysheet when presenting the judgment to the Assistant Registrar of the Land Court. This streamlined process will therefore reduce confusion and save time and money for attorneys, individuals, and businesses.

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. 1579, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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



**SCRep. 2854 Commerce and Consumer Protection on H.B. No. 2275**

The purpose and intent of this measure is to amend Hawaii's Mortgage Rescue Fraud Prevention Act by:

- (1) Clarifying the definition of "distressed property consultant"; and
- (2) Specifying that only attorneys licensed to practice law in the State of Hawaii are exempt from the definition of "distressed property consultant".

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs and Hawaii Credit Union League.

Your Committee finds that mortgage rescue schemes continue to plague distressed property owners in Hawaii. The amendments in this measure pertaining to the definition of "distressed property consultant" will therefore assist the Office of Consumer Protection's enforcement of the Mortgage Rescue Fraud Prevention Act, codified as chapter 480E, Hawaii Revised Statutes, against all persons involved in a mortgage rescue scheme.

Your Committee further finds that persons who have provided services to distressed property owners have attempted to evade compliance with chapter 480E, Hawaii Revised Statutes, by claiming they are not distressed property consultants or that they fall under the chapter's attorney exemption because they are, or performed services in connection with, out-of-state attorneys. This measure makes it clear that only attorneys licensed to practice law in the State of Hawaii fall under the attorney exemption in chapter 480E, Hawaii Revised Statutes, ensures compliance with federal regulations, and ensures that all attorneys performing distressed property consulting in the State are subject to the Hawaii Rules of Professional Conduct and the jurisdiction of Hawaii's Office of Disciplinary Counsel.

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. 2275, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 2855 Commerce and Consumer Protection on H.B. No. 2513**

The purpose and intent of this measure is to require an attorney affirmation in a judicial foreclosure to be filed with the court at the time the mortgage foreclosure action is commenced.

Your Committee received testimony in support of this measure from the Hawaii Financial Services Association, Hawaii Bankers Association, Hawaii Credit Union League, and Mortgage Bankers Association of Hawaii. Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee finds that pursuant to Act 182, Session Laws of Hawaii 2012, attorneys who file judicial foreclosure complaints must submit an affirmation verifying the accuracy of the documents submitted. Your Committee further finds that this measure specifies that these attorney affirmations must be filed at the commencement of a mortgage foreclosure action. This measure conforms to existing practice and encourages compliance for attorneys who file judicial foreclosure complaints.

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. 2513, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 2856 Energy and Environment on H.B. No. 2509**

The purpose and intent of this measure is to appropriate funds to assist communities affected by discarded or abandoned tires by providing funds for programs promoting the removal of abandoned tires that have been illegally dumped from the landscape, including funding county abandoned tire removal programs.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii County Department of Environmental Management, Hawaii Automobile Dealers Association, Mikilua Valley Community Association, and four individuals.

Your Committee finds that discarded motor vehicle tires continue to blight Hawaii's neighborhoods, particularly in rural and isolated areas. With the repeal of the motor vehicle tire surcharge, the Department of Health lost a vital source of funding to promote tire recovery and prevent illegal dumping, and the subsequent personnel and operating budget cuts have made it difficult to address this critical issue.

Your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000; and
- (2) Inserting an effective date of July 1, 2050, to encourage 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 H.B. No. 2509, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2509, 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, 2 (Chun Oakland, Ihara).

**SCRep. 2857 Water and Land on S.C.R. No. 12**

The purpose and intent of this measure is to authorize the issuance of a lease and easement of certain submerged lands at Manele Bay, Lana'i, To Lana'i Resorts, LLC.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Pulama Lana'i, Manele Harbor Advisor Committee, and Trilogy Excursions.

Your Committee finds that the Legislature authorized the issuance of a similar lease and easement to Castle & Cooke, Inc., who then renamed the corporation to Lana'i Resorts, LLC, which was subsequently purchased by Larry Ellison. The initial lease and easement called for a marina to be built, but after the recent tsunami events it was determined that a marina would not be feasible in this area and a single floating dock would be more appropriate. In consideration of today's growth with Lana'i as a destination point, the Division of Boating and Ocean Recreation has determined that a floating loading dock is much needed at the harbor and could be built to withstand another tsunami of moderate impact. The Department of Land and Natural Resources stated in testimony that it also appreciates Lana'i Resorts, LLC's, commitment to maintaining the Manele Small Boat Harbor landscaping and ferry passenger waiting areas.

The Board of Land and Natural Resources voted on November 8, 2013, to authorize the termination of the lease and easements executed with Castle & Cooke Resorts, LLC, and to authorize the issuance of a new fifty-five year lease and easement by way of direct negotiation with Lana'i Resorts, LLC, of certain submerged lands and fast lands at Manele Small Boat Harbor on the island of Lana'i identified as tax map key (2) 4-9-17:06. The new lease will provide for the construction, maintenance, and use of submerged lands for the floating and loading dock and for mooring approved by the Division of Boating and Ocean Recreation.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 12 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2858 Water and Land on S.C.R. No. 13**

The purpose and intent of this measure is to approve the sale of the leased fee interest in 41-669 Inoaole Street, Waimanalo, Hawaii.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and two individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that the Hawaii Housing Finance and Development Corporation is seeking legislative approval to sell the leased fee interest in 41-669 Inoaole Street to its current leasehold owner. The property at 41-669 Inoaole Street is a single family home built in 1974 as part of Hale Aupuni, a 190-unit affordable for-sale housing development. The Corporation has met all statutory prerequisites to request approval of this sale. The fair market value of the leased fee interest in 41-669 Inoaole Street was determined to be \$46,900 as of July 1, 2013, by the Corporation's appraiser, Harlin Young & Co, Ltd.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 13 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2859 Water and Land on S.C.R. No. 16**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Heeia, Koolaupoko, Oahu, for the maintenance and repair of the existing pier, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that around 2012, the Department of Land and Natural Resources worked with the owners, Bernice Bailey, Frederick Bailey, Jr., and Susan Koehler, to resolve the encroachment of a pier on state submerged lands fronting the property identified as Tax Map Key: (1) 4-6-001: seaward of 014, at Heeia, Koolaupoko, Oahu. On September 10, 2012, the Department's Office of Conservation and Coastal Lands determined the non-conforming status of the existing pier in view of the evidence shown on the aerial photo dated 1949. At its meeting of December 14, 2012, under agenda item D-13, the Board of Land and Natural Resources approved a grant of a 55-year non-exclusive easement to resolve the encroachment.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 16 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2860 Water and Land on S.C.R. No. 17**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Laie, Koolauloa, Oahu, for the maintenance and repair of the existing revetment and steps, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that on November 13, 2012, the Department of Land and Natural Resources, Office of Conservation and Coastal Lands indicated its support for the issuance of an easement to resolve the encroachments of a revetment and steps on state submerged lands fronting the property identified as Tax Map Key: (1) 5-5-002: seaward of 034, Laie, Koolauloa, Oahu. Around 2013, the Department worked with the owner, Bathtub Beach LLC, to resolve the encroachments.

At its meeting of May 24, 2013, under agenda item D-11, the Board of Land and Natural Resources approved a grant of a 55-year non-exclusive easement to resolve the encroachments.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 17 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2861 Water and Land on S.C.R. No. 18**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Niu, Honolulu, Oahu, for the maintenance and repair of the existing seawall and steps, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that around 2003, the Department of Land and Natural Resources worked with the owners, Mitch and Barbara D'Olier, to resolve the encroachments of a seawall and steps on state submerged lands fronting the property identified as Tax Map Key: (1) 3-7-002: seaward of 040, Niu, Honolulu, Oahu. On September 17, 2003, the Department's Office of Conservation and Coastal Lands determined that the seawall and steps were not conservation district violations and the Office had no objection to the issuance of an easement to resolve the encroachments. At its meeting of March 1, 2004, under agenda item D-2, the Board of Land and Natural Resources approved a grant of a 55-year non-exclusive easement to resolve the encroachments.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 18 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2862 Water and Land on S.C.R. No. 19**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Kahaluu, Koolaupoko, Oahu, for the maintenance and repair of the existing landscaping area, concrete wall, and footing, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that around 2012, the Department of Land and Natural Resources worked with the owners, David Knox and Beverly Hoversland, to resolve the encroachments of a landscaping area, concrete wall, and footing on state submerged lands fronting the property identified as Tax Map Key: (1) 4-7-019: seaward of 078, Kahaluu, Koolaupoko, Oahu. On July 23, 2012, the Department's Office of Conservation and Coastal Lands determined that the encroachments predated the establishment of the conservation district established in 1964 and supported the issuance of an easement to resolve the encroachments. At its meeting of December 14, 2012, under agenda item D-14, the Board of Land and Natural Resources approved a grant of a 55-year non-exclusive easement to resolve the encroachments.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2863 Water and Land on S.C.R. No. 20**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Mokuleia, Waialua, Oahu, for the maintenance and repair of the existing seawall and concrete footing, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that around 2013, the Department of Land and Natural Resources worked with the owner, Gregory Michaels, to resolve the encroachments of an existing seawall and concrete footing on state submerged lands fronting the property identified as Tax Map Key: (1) 6-8-010: seaward of 021, Mokuleia, Waialua, Oahu. On January 24, 2013, the Department's Office of Conservation

and Coastal Lands indicated its support to the issuance of an easement to resolve the encroachments. At its meeting of May 24, 2013, under agenda item D-13, the Board of Land and Natural Resources approved a grant of a 55-year non-exclusive easement to resolve the encroachments.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 20 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2864 Water and Land on S.C.R. No. 21**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Kualoa, Koolaupoko, Oahu, for the maintenance and repair of the existing seawall and steps, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that on July 20, 2012, the Department of Land and Natural Resources, Office of Conservation and Coastal Lands believed the owners should be offered an opportunity for the Board of Land and Natural Resources to consider a request for an easement to resolve the encroachments of a seawall and steps on state submerged lands fronting the property identified as Tax Map Key: (1) 4-9-009: seaward of 005, Kualoa, Koolaupoko, Oahu. Around 2013, the Department worked with the owner, Minatoya Real Estate, LLC, to resolve the encroachments. At its meeting of January 11, 2013, under agenda item D-11, the Board approved a grant of a 55-year non-exclusive easement to resolve the encroachments.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 21 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2865 Water and Land on S.C.R. No. 22**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Haleaha, Koolauloa, Oahu, for the maintenance and repair of the existing seawall, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that the Department of Land and Natural Resources worked with the previous owner of the abutting property, Cho Gilger, to resolve the encroachment of a seawall that existed at the location before 1958 on state submerged lands fronting the property identified as Tax Map Key: (1) 5-3-006: seaward of 021, Haleaha, Koolauloa, Oahu. On June 25, 2003, the Department's Office of Conservation and Coastal Lands determined the seawall was constructed prior to the establishment of the conservation district in 1964. At its meeting of July 25, 2003, under agenda item D-12, the Board of Land and Natural Resources approved a grant of a 55-year non-exclusive easement to resolve the encroachment.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 22 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2866 Water and Land on S.C.R. No. 23**

The purpose and intent of this measure is to authorize the issuance of two term, non-exclusive easements covering a portion of state submerged lands at Mokuleia, Waialua, Oahu, for the maintenance and repair of the existing seawall and rock pile, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that around 2013, the Department of Land and Natural Resources worked with the owner, Sutton Family Partners, to resolve the encroachments of a seawall and rock pile on state submerged lands fronting the property identified as Tax Map Key: (1) 6-8-010: seaward of 014 and 015, Mokuleia, Waialua, Oahu. On January 24, 2013, the Department's Office of Conservation and Coastal Lands indicated its support to the issuance of two easements to resolve the encroachments. At its meeting of May 24, 2013, under agenda item D-12, the Board of Land and Natural Resources approved grants of two 55-year non-exclusive easements to resolve the encroachments.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 23 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2867 Water and Land on S.C.R. No. 24**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Kaneohe, Koolauapoko, Oahu, for the maintenance and repair of the existing seawall, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that around 2001, the Department of Land and Natural Resources informed the owner, Yamashiro Investments, about the encroachment of a seawall, believed to be long established on state submerged lands, as confirmed by observations conducted by the Department, fronting the property identified as Tax Map Key: (1) 4-4-018: seaward of 069, Kaneohe, Koolauapoko, Oahu, and worked with the owner to resolve the encroachment. On September 20, 2002, the Department's Office of Conservation and Coastal Lands indicated its support for the issuance of an easement to resolve the encroachment. At its meeting of December 13, 2002, under agenda item D-9, the Board of Land and Natural Resources approved a grant of a 55-year non-exclusive easement to resolve the encroachment.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24 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, 4 (Dela Cruz, Galuteria, Ihara, Slom).

**SCRep. 2868 (Majority) Higher Education on H.B. No. 1652**

The purpose and intent of this measure is to create a five-year pilot project at the Daniel K. Inouye College of Pharmacy at the University of Hawaii at Hilo to ensure the financial self-sufficiency of the College.

Your Committee received testimony in support of this measure from the University of Hawaii at Hilo; University of Hawaii at Hilo College of Pharmacy; Office of the Mayor of the County of Hawaii; Friends of the Daniel K. Inouye College of Pharmacy; Hawai'i Island Chamber of Commerce; United Public Workers, AFSCME, Local 646, AFL-CIO; Hawai'i Island Economic Development Board; Hawai'i Construction Alliance; Walgreen Co.; Laborers' International Union of North America Local 368; and twenty-nine individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the Daniel K. Inouye College of Pharmacy at the University of Hawaii at Hilo (College of Pharmacy) should operate with financial autonomy from the University of Hawaii System. This measure allows for this autonomy by creating a five-year pilot program that requires a determination in 2018 of whether the College of Pharmacy should be continued based on whether it is able to fiscally sustain its operations.

Your Committee has amended this measure by:

- (1) Simplifying the purpose section to merely state that this measure is a law of statewide concern pursuant to article X, section 6, of the Hawaii State Constitution;
- (2) Establishing the five-year pilot plan as session law rather than codifying it in the Hawaii Revised Statutes;
- (3) Clarifying that the University of Hawaii System may, but is not required to, subsidize or provide financial assistance to the College of Pharmacy;
- (4) Removing language creating the Board of Governors of the College of Pharmacy;
- (5) Inserting language authorizing independent audits of the College of Pharmacy special fund upon the request of the Legislature;
- (6) Adding language to require the University of Hawaii at Hilo to annually report to the Legislature regarding the College of Pharmacy special fund, beginning on January 1, 2015;
- (7) Adding language to require the College of Pharmacy to submit annual financial and management reports to the Board of Regents, Governor, and Legislature no later than twenty days prior to the convening of the Regular Session of 2015 and ending with the Regular Session of 2019;
- (8) Removing language appropriating general revenues for the purposes of this measure;
- (9) Removing language authorizing the issuance of general obligation bonds for the construction of a facility to house the College of Pharmacy;
- (10) Removing language authorizing the issuance of general obligation bonds for the construction of a facility to house the College of Pharmacy, the debt service of which was required to be paid using monies from the College of Pharmacy special fund;
- (11) Removing language authorizing the Board of Regents of the University of Hawaii to issue revenue bonds to finance the costs of construction of a facility to house the College of Pharmacy;
- (12) Removing language appropriating funds out of the revenue bond proceeds to finance the costs of construction of a facility to house the College of Pharmacy;
- (13) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (14) 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 is in accord with the intent and purpose of H.B. No. 1652, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1652, 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 (Slom). Excused, 3 (Ige, Kidani, Tokuda).

**SCRep. 2869 Higher Education on H.B. No. 1881**

The purpose and intent of this measure is to:

- (1) Amend the composition of the Hawaii State Center for Nursing Advisory Board (Advisory Board) by decreasing the number of voting members on the Advisory Board to nine;
- (2) Amend the membership of the Advisory Board to better facilitate the Hawaii State Center for Nursing's mission;
- (3) Clarify term limits and appointments of members to the Advisory Board; and
- (4) Amend certain powers and duties of the Advisory Board.

Your Committee received testimony in support of this measure from the University of Hawaii at Manoa School of Nursing and Dental Hygiene, Hawai'i State Center for Nursing, Blood Bank of Hawaii, American Association of Nurse Practitioners, Healthcare Association of Hawaii, and five individuals. Your Committee received comments on this measure from the Board of Nursing.

Your Committee finds that as the nursing profession transforms to meet a changing health care landscape, the ongoing process of developing a strategic plan requires the Hawaii State Center for Nursing to have an active, engaged Advisory Board with members capable of addressing workforce issues in a timely manner.

Your Committee further finds that the six labor organization positions on the Advisory Board have not been filled for many years. This has impeded the Advisory Board's ability to attain quorum for its monthly meetings and access relevant expertise. This situation has also prevented prospective candidates from sitting on the Advisory Board and sharing expertise in relevant areas such as nursing practice, research, education, administration, and financing care.

This measure will amend the composition of the Advisory Board to align itself more closely with other national nursing workforce centers and encourage collaboration of persons with the technical expertise, knowledge, and experience needed to assist the Hawaii State Center for Nursing fulfill its mission.

Your Committee notes that the Board of Nursing testified that, due to the Board of Nursing's collaborative working relationship with the Advisory Board, it is not necessary for the Board of Nursing to have a position on the Advisory Board. In addition, the Board of Nursing indicated that individuals with expertise in workforce issues would be helpful assets to the Advisory Board.

As such, your Committee has amended this measure by:

- (1) Removing the representative from the Board of Nursing as a voting member of the Advisory Board;
- (2) Increasing the number of non-nurse voting members of the Advisory Board from three to four and specifying that those members' background or experience may also include workforce or representation of hospitals and acute care hospitals in the State; 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 is in accord with the intent and purpose of H.B. No. 1881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1881, 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 (Ige, Kidani, Tokuda).

**SCRep. 2870 Higher Education on H.B. No. 1996**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the completion of the Maui Food Innovation Center capital improvement project at the University of Hawaii Maui College.

Your Committee received testimony in support of this measure from the University of Hawai'i Community Colleges, University of Hawai'i Maui College, Hawaii Strategic Development Corporation, High Technology Development Corporation, and Hawaii Farm Bureau Federation.

Your Committee finds that the renovation and equipping of the Maui Food Innovation Center would improve the economic stability and capacity of farmers, ranchers, and fishermen; agricultural cooperatives; food entrepreneurs; existing small and mid-sized food companies; retail and food service establishments; Native Hawaiian cultural agriculture; and community food programs by providing access to research and development capabilities, food business planning, market research, quality assurance and food safety, product and process development, and other services not currently available in Maui County.

Your Committee further finds that the Maui Food Innovation Center will also build on the Maui Culinary Academy program at the University of Hawaii Maui College by providing faculty and students with opportunities for applied research, experiential learning, and workforce development and training within an expanding and evolving food industry.

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. 1996, 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 (Ige, Kidani, Tokuda).

**SCRep. 2871 Higher Education on H.B. No. 2142**

The purpose and intent of this measure is to:

- (1) Repeal the requirement that a private college or university show that it maintains profitability as a means of demonstrating financial integrity to the Department of Commerce and Consumer Affairs at the time of its application for authorization; and
- (2) Repeal section 304A-3153, Hawaii Revised Statutes, relating to procedures for complaints to the University of Hawaii concerning institutions of higher learning in the State.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and University of Hawai'i System.

Your Committee finds that Act 180, Session Laws of Hawaii 2013, identified the Department of Commerce and Consumer Affairs as the state entity that would perform the regulatory functions of authorizing post-secondary institutions and handling complaints against such institutions. Your Committee also finds that it is neither uncommon nor inappropriate for a school to have financial statements that do not reflect profitability in every year that it has been in operation. Since schools may incur a loss in any particular year but still maintain positive equity, your Committee finds that the deletion of the demonstration of profitability requirement, as proposed in this measure, is appropriate. This measure adds greater clarity to what is required of private colleges and universities with regard to demonstrating financial integrity when applying for authorization and minimizes redundancy in the 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. 2142, 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 (Ige, Kidani, Tokuda).

**SCRep. 2872 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. Nos. 548, 549, and 550**

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL DEFENSE ADVISORY COUNCIL

- G.M. No. 548 RICHARD MINATOYA, for a term to expire 6-30-2018;  
G.M. No. 549 DOMINADOR COLOMA, for a term to expire 6-30-2018; and  
G.M. No. 550 RAYMOND JARDINE, JR., for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Richard Minatoya, Dominador Coloma, and Raymond Jardine, Jr., to possess the requisite qualifications to be nominated to the Civil Defense Advisory Council.

RICHARD MINATOYA

Your Committee received testimony in support of the nomination of Richard Minatoya from the Office of the Prosecuting Attorney of the County of Kauai and eight individuals.

Richard Minatoya currently serves on the Civil Defense Advisory Council and has proven to be a hardworking and contributing member. He is also a Supervising Deputy Prosecuting Attorney for the County of Maui. In his current position as a division head and in his former First Deputy Prosecutor position for the County of Kauai, Mr. Minatoya has completed several Emergency Management Institute and Federal Emergency Management Agency courses. He previously served as a Kauai County Council member, where he chaired the Committee on Public Safety/Intergovernmental Relations, which had jurisdiction over civil defense issues.

Mr. Minatoya received a Juris Doctor degree from and studied urban and regional planning at the University of Hawaii at Manoa. He received a Bachelor of Arts degree from the University of Southern California.

Your Committee finds that Mr. Minatoya's experience as a current member of the Civil Defense Advisory Council, extensive involvement in county government, previous civil defense work, broad legal experience, and commitment to public service will continue to provide a valuable perspective on the Civil Defense Advisory Council.

DOMINADOR COLOMA

Your Committee received testimony in support of the nomination of Dominador Coloma from four individuals.

Dominador Coloma currently serves as an interim member of the Civil Defense Advisory Council, where he consistently performs his professional and civil responsibilities. Mr. Coloma works as a United States Department of Housing and Urban Development inspector with the County of Hawaii Office of Housing and Community Development. For twenty-five years, he served the County of Hawaii as a member of the Hawaii Fire Department, retiring as the Deputy Fire Chief. Following Mr. Coloma's retirement, he served as a coordinator and instructor for the Fire Science Program at the University of Hawaii at Hilo.

Mr. Coloma received an Associate's degree in Fire Science from Hawaii Community College. He also received training in Fire Administration and Diesel Mechanics and as an Emergency Medical Technician and Helicopter Mechanic.

Your Committee finds that Mr. Coloma's experience as an interim member of the Civil Defense Advisory Council, emergency response credentials, fire science expertise, and sense of commitment will continue to benefit and add to the overall expertise of the Civil Defense Advisory Council.

RAYMOND JARDINE, JR.

Your Committee received testimony in support of the nomination of Raymond Jardine, Jr., from four individuals.

Raymond Jardine, Jr., currently serves on the Civil Defense Advisory Council and has shown dedication in his service. He is the President and Chief Executive Officer of Native Hawaiian Veterans, LLC, which focuses on services for the federal government in the areas of homeland security, counter terrorism, chemical-biological-radiological-nuclear-high yield explosives, unexploded ordnance remediation, and emergency management. Dr. Jardine retired as a Colonel from the National Guard after thirty-three years of service.

Dr. Jardine received a Doctor of Business Administration degree in Organizational Leadership from Rockville University; a Master's degree in National Strategic Studies from Army War College; a Master's degree in Organizational Management from the University of Phoenix; a Bachelor's degree in Business Management from Chaminade University; an Associate's degree in Liberal Arts from Honolulu Community College; and a Certificate in Public Administration from San Diego State University.

Your Committee finds that Dr. Jardine's experience as a member of the Civil Defense Advisory Council, emergency management and military background, business acumen, and educational achievements will continue to be beneficial to the Civil Defense Advisory Council.

As affirmed by the records of votes of the members of your Committee on Public Safety, Intergovernmental 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, 1 (Galuteria).

**SCRep. 2873 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. No. 551**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 551 JOYCE MATSUMORI-HOSHIJO, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Joyce Matsumori-Hoshijo to possess the requisite qualifications to be nominated to the Hawaii Paroling Authority.

Your Committee received testimony in support of the nomination of Joyce Matsumori-Hoshijo from the Department of Public Safety, State Public Defender, and five individuals.

Joyce Matsumori-Hoshijo is a veteran attorney with a thorough knowledge of the State's criminal sentencing laws, as well as court proceedings. She has a private law practice, specializing in civil and criminal appeals. Ms. Matsumori-Hoshijo has twenty years of experience with the Office of the Public Defender in various trial and appellate positions, where she represented many clients before the Hawaii Paroling Authority. She received a Juris Doctor degree from the Hastings College of the Law and a Bachelor of Arts degree from the University of California, Berkeley.

Joyce Matsumori-Hoshijo currently serves as a member of the Hawaii Paroling Authority and is considered a highly qualified and senior member of the Hawaii Paroling Authority's Parole Board. Colleagues describe her as hardworking, professional, well-prepared, knowledgeable, collegial, and respectful. Your Committee believes that Ms. Matsumori-Hoshijo's experience as a current member of the Hawaii Paroling Authority, professional training and education, work experience, and thoughtful approach to decision making will continue to benefit and add to the overall expertise of the Hawaii Paroling Authority.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental 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, 1 (Galuteria).

**SCRep. 2874 Energy and Environment on H.B. No. 2618**

The purpose and intent of this measure is to establish an income tax credit, available as either an investment or utilization credit, for grid-connected energy storage properties with a capacity of at least one megawatt or one megawatt-hour that are installed and placed in service in the State during taxable years beginning after December 31, 2014, and before January 1, 2026.

Your Committee received testimony in support of this measure from the Ulupono Initiative, Renewable Energy Action Coalition of Hawaii, Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, Blue Planet Foundation, Princeton Energy Group, Molokai Ranch, Hawaiian Electric Company, Sempra US Gas and Power, and two individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Public Utilities Commission; Tax Foundation of Hawaii; and Beacon Power, LLC.

Your Committee finds that energy storage is a key component of a modern, smart electrical grid and can help to maximize the use of indigenous renewable energy. Hawaii has successfully utilized a renewable energy tax credit to foster a sustainable local renewable



energy industry responsible for creating jobs, catalyzing statewide energy savings, improving our environment, and reducing greenhouse gas emissions.

Your Committee has amended this measure by:

- (1) Clarifying that the energy storage tax credit may be claimed as:
  - (A) An investment credit equal to not more than twenty percent of the basis for a grid-connected energy storage property first placed in service on or before December 31, 2020;
  - (B) An investment credit equal to not more than fifteen percent of the basis for a grid-connected energy storage property first placed in service after December 31, 2020, and on or before December 31, 2025;
  - (C) A utilization credit equal to 8 cents per kilowatt-hour of energy storage capacity for a grid-connected energy storage property first placed in service on or before December 31, 2020; or
  - (D) A utilization credit equal to 6 cents per kilowatt-hour of energy storage capacity for a grid-connected energy storage property first placed in service after December 31, 2020, and on or before December 31, 2025;
- (2) Deleting language that would have required the Department of Business, Economic Development, and Tourism to issue a certificate that identified the taxpayer type, property type, tax credit type, and refundability type to the taxpayer for each grid-connected energy storage property that qualifies for the energy storage tax credit;
- (3) Clarifying that the Department of Taxation shall submit a report to the legislature annually no later than twenty days prior to the convening of each regular session on the number of grid-connected energy storage properties that have qualified for a tax credit during the calendar year and the total cost of the tax credit to the State during the taxable year by tax credit type and refundability or nonrefundability for the most recent taxable year for which the Department has data;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2618, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2618, 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 (Chun Oakland, Ihara).

**SCRep. 2875 Energy and Environment on H.B. No. 2426**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for fiscal year 2014-2015 for the planning, design, and construction of biosecurity facilities at harbors and airports throughout the State.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Agriculture, Department of Land and Natural Resources, Oahu Invasive Species Committee, Hawaii Farm Bureau, The Nature Conservancy, and Able Freight Services, Inc. Your Committee received comments on this measure from the Airlines Committee of Hawaii.

Your Committee finds that the unchecked spread of invasive species is one of the greatest threats to Hawaii's economy, natural environment, and the health and lifestyle of its people. Invasive pests can cause millions of dollars in crop losses, the extinction of native species, the destruction of native forests, the spread of disease, and the quarantine of exported agricultural crops.

Your Committee further finds that ports of entry are the gateways through which new invasive pests make their way to the State. As a result, it is vital that Hawaii's airports and harbors are prepared with the resources, facilities, and infrastructure to properly prevent the introduction of any new invasive species.

Your Committee has amended this measure by:

- (1) Inserting a general obligation bond issuance and appropriation amount of \$1,000,000; and
- (2) Inserting an effective date of July 1, 2050, to encourage 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 H.B. No. 2426, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2426, 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, 2 (Chun Oakland, Ihara).

**SCRep. 2876 Energy and Environment on H.B. No. 1951**

The purpose and intent of this measure is to extend the authorization of 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, for an additional five years.

Your Committee received testimony in support of this measure from the Ulupono Initiative, The Chamber of Commerce of Hawaii, and Honolulu Seawater Air Conditioning. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the downtown Honolulu seawater air conditioning project will service approximately 14,000,000 square feet of downtown building space. In addition to the compelling environmental and renewal energy benefits associated with deep water cooling, the project is anticipated to generate close to \$250,000,000 in construction spending and more than 1,500 construction jobs from 2014 through 2016. This project will also establish Hawaii as a leading authority on the development and installation of seawater air conditioning systems throughout the Asia-Pacific region.

Your Committee has amended this measure by inserting an effective date of June 29, 2014.

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. 1951, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1951, 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, 2 (Chun Oakland, Ihara).

**SCRep. 2877 Energy and Environment on H.B. No. 1942**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Princeton Energy Group or a related special purpose entity with the financing and refinancing costs relating to the planning, design, and construction of a renewable energy project with energy storage technology on the island of Molokai.

Your Committee received testimony in support of this measure from the Ulupono Initiative, Life of the Land, The Chamber of Commerce of Hawaii, Sustainable Molokai, EnerVault, Molokai Ranch, Princeton Energy Group, and one hundred thirty-four individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Budget and Finance and one individual.

Your Committee finds that support for the development of renewable energy projects in Hawaii, which is geographically isolated from sources of oil, continues to be in the public interest. This is especially true given the high cost of electricity in Hawaii, particularly on the island of Molokai.

Your Committee further finds that Princeton Energy Group is engaged in the planning, design, and construction process to develop a multi-megawatt renewable energy project with energy storage technology near Kaunakakai to exclusively serve the island of Molokai. The issuance of special purpose revenue bonds and refunding special revenue bonds under this measure to assist Princeton Energy Group in the planning, design, and construction of its renewable energy project will make the development of such a project more economically feasible and provide numerous benefits.

Your Committee requests that the applicant submit to your Committee by April 11, 2014, a copy of the letter from the Department of Business, Economic Development, and Tourism stating that the agency has received and reviewed the applicant's business plan; provided that the agency is not required to give approval or render a conclusion in the letter. Furthermore, your Committee urges the applicant to do further outreach with the community to share its plans.

Your Committee has amended this measure by inserting an effective date of July 1, 2222, to encourage 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 H.B. No. 1942, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1942, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Chun Oakland, Ihara).

**SCRep. 2878 Agriculture on H.B. No. 502**

The purpose and intent of this measure is to:

- (1) Appropriate funds to the Department of Agriculture to create positions within the Department to monitor local food production; and
- (2) Direct the Department of Agriculture to issue a request for proposals to contract for a report with findings on the establishment of state food sufficiency baseline.

Your Committee received testimony in support of this measure from Ulupono Initiative; Hawaii Cattlemen's Council, Inc.; Hawaii Farmers Union United; and one individual. Your Committee received comments on this measure from the Department of Agriculture, State Procurement Office, and Land Use Research Foundation of Hawaii.

Your Committee finds that eighty-five to ninety percent of Hawaii's food is imported, making food security a significant concern. Not only is it safer for Hawaii to achieve food sustainability, but replacing just ten percent of food imports would create a total of 2,300 local jobs and keep hundreds of millions of dollars within the State's economy. If food security is going to be a priority for the State, the State must fund staff positions to monitor local food production and develop a food sufficiency baseline to measure progress.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Agriculture may, rather than shall, issue a request for proposals to contract for a report with findings on the establishment of a food sufficiency baseline; and
- (2) 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 502, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 502, 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 (Dela Cruz, Thielen, Slom).

**SCRep. 2879 Agriculture on H.B. No. 2178**

The purpose and intent of this measure is to establish a program to provide grants to qualified feed developers within the Livestock Revitalization Program.

Your Committee received testimony in support of this measure from Hawaii Farmers Union United, Kona Chapter; Hawaii Cattlemen's Council, Inc.; Ulupono Initiative; Land Use Research Foundation of Hawaii; Hawaii Farm Bureau Federation; Hawaii Farmers Union United; and two individuals. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that the rising cost of feed for livestock production is one of the greatest challenges to the State's livestock industry. Hawaii farmers must pay even more for feed than those on the mainland due to the exorbitant transportation costs. Livestock feed in Hawaii can comprise as much as seventy percent of production costs. Incentivizing farmers to develop feed locally is vital to promoting a sustainable agricultural economy and keeping Hawaii's livestock industry afloat.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2178, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2178, 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 (Wakai). Noes, none. Excused, 3 (Dela Cruz, Thielen, Slom).

**SCRep. 2880 Agriculture on H.B. No. 2009**

The purpose and intent of this measure is to:

- (1) Establish a \$300,000 minimum reserve requirement in the milk control special fund to cover contingency costs in the administration of the State's Milk Control Act; and
- (2) Include audits as a contingency cost to be covered by the reserve in the milk control special fund.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, and Ulupono Initiative.

Your Committee finds that the milk industry is vital to the State's economy and food security and must be safeguarded and protected in the public interest. A minimum reserve requirement will ensure the viability and protection of Hawaii's fragile dairy industry and help revitalize milk production in the State, and this measure will also ensure the availability of reserves for conducting audits related to milk control.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2009, 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 (Dela Cruz, Thielen, Slom).

**SCRep. 2881 Agriculture on H.B. No. 1929**

The purpose and intent of this measure is to exempt produce sold at farmers' markets for human consumption from the general excise tax.

Your Committee received testimony in support of this measure from Farm Lovers Farmers' Market; Hawaii Farmers Union United; and Hawaii Farm Bureau Federation. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the Department of Agriculture and Tax Foundation of Hawaii.

Your Committee finds that by encouraging consumers to buy produce at their local farmers' market and increasing the profit margin realized by local farmers, this measure will help increase the consumption of locally produced food, sustain our agricultural industry, and improve the State's food security.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1929, 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 (Dela Cruz, Thielen, Slom).

**SCRep. 2882 Agriculture on H.B. No. 2464**

The purpose and intent of this measure is to increase the amount of the important agricultural land qualified agricultural cost tax credit in certain situations.

Your Committee received testimony in support of this measure from Alexander & Baldwin, Inc.; The Chamber of Commerce Hawaii; and Hawaii Farm Bureau Federation. Your Committee received comments on this measure from the Department of Agriculture, Department of Taxation, and Tax Foundation of Hawaii.

The important agricultural land qualified agricultural cost tax credit was enacted to incentivize landowners to designate agricultural lands as important agricultural lands. Since the credit's enactment, 101,000 acres have been designated as important agricultural lands in Hawaii. Your Committee concludes that increasing the tax credit will incentivize more landowners to designate their lands as important agricultural lands, which will increase the State's agricultural sustainability.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2464, 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 (Dela Cruz, Thielen, Slom).

**SCRep. 2883 Hawaiian Affairs on Gov. Msg. Nos. 513, 514, and 515**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF MOLOKAI

G.M. No. 513 FRANCES COBB-ADAMS, for a term to expire 6-30-2015;

G.M. No. 514 MICHELLE PESCAIA, for a term to expire 6-30-2016; and

G.M. No. 515 EDWARD AYAU, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Frances Cobb-Adams, Michelle Pescaia, and Edward Ayau to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council, Island of Molokai.

FRANCES COBB-ADAMS

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Ms. Cobb-Adams earned a Bachelor's degree in Hawaiian Studies from the University of Hawaii at Manoa. Currently, she is employed as the Resource Center Manager for Kamehameha Schools working on a number of educational and cultural programs. She has also taught Hawaiian Language/Hawaiian Studies at the Molokai Education Center since 2003. Among other jobs, she worked as a Site Coordinator at Na Pua No'eau, the Center for Gifted and Talented Native Hawaiian Children, planning and coordinating natural and environmental science activities for Hawaiian students participating in the Na Pua No'eau Pathways Program.

Ms. Cobb-Adams previously served on the Island Burial Council and has expressed great interest in continuing her service. In addition to Ms. Cobb-Adam's significant professional experience, Ms. Cobb-Adam's passion for Hawaiian culture and values, especially honoring and caring for her kupuna, make Ms. Cobb-Adams an ideal candidate for the Island Burial Council, Island of Molokai.

MICHELLE PESCAIA

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Ms. Pescaia pursued a degree in Hawaiian Language from the University of Hawaii at Manoa. She has a wealth of experience in community programs that teach and develop the Hawaiian language and values. Among other jobs, she was employed as a Case Manager and Communications Director for Ho'ikaika Youth Opportunity Program; a Cultural Advisor for Ka Li'i Mamo, Mohala Ka 'Ike, Maui Community College; and a Hawaiian Immersion Preschool teacher for Punana Leo O Molokai. Most recently, she served as the Molokai Site Coordinator for Na Pua No'eau, providing opportunities for youth to develop intellectually and artistically through culturally sensitive programs, and to be active members of their community.

Ms. Pescaia has served on numerous community boards and commissions, including as a Commissioner of the Molokai Planning Commission and as the Cultural Advisor and Resource to the Kalaupapa National Historical Park. She has also previously served on the Molokai Island Burial Council. Ms. Pescaia is constantly bringing attention to iwi issues on Molokai and is passionate about educating the next generation to care for the iwi kupuna.

EDWARD AYAU

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Aha Moku Advisory Committee, Pae 'Aina Communications, and one individual.

Mr. Ayau received a Bachelor's degree in Business Management from the University of Redlands and a Juris Doctorate from the University of Colorado School of Law. He currently serves as the Acting District Supervisor for the Molokai District Office of the Department of Hawaiian Home Lands. Among other jobs, he previously served as the Project Manager for Ola Na Iwi Phase I to III where he managed a federal grant to repatriate 900 sets of iwi kupuna and moepu from museums in the United States and Scotland, and organized 38 cultural education workshops to teach Native Hawaiian communities to care for ancient burial sites. As Counsel for the Minority Staff on the United States Senate Committee on Indian Affairs, he advised Vice Chairman Senator Daniel K. Inouye on legal and policy issues relating to Hawaii, including the Native American Graves Protection and Repatriation Act. For several years, he also served as the Director of the Burial Sites Program for the Department of Land and Natural Resources Historic Preservation Division. As a Staff Attorney with the Native Hawaiian Legal Corporation, he helped draft state legislation that restored the responsibility of

oversight of ancient burial sites to Native Hawaiians. As a prolific lecturer and writer on Native Hawaiian burial rights, Mr. Ayau is an ideal candidate for the Island Burial Council, Island of Molokai.

As affirmed by the records of votes of the members of your Committee on 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, 1 (Kidani).

**SCRep. 2884 Hawaiian Affairs on Gov. Msg. Nos. 516, 523, 524, and 525**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANAI

- G.M. No. 516 JOHANNA KAMAUNU, for a term to expire 6-30-2017;
- G.M. No. 523 IRMALEE POMROY MALY, for a term to expire 6-30-2017;
- G.M. No. 524 KAPULANI ANTONIO, for a term to expire 6-30-2016; and
- G.M. No. 525 DANE MAXWELL, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Johanna Kamaunu, Irmalee Pomroy Maly, Kapulani Antonio, and Dane Maxwell to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council, Islands of Maui and Lanai.

JOHANNA KAMAUNU

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and Aha Moku Advisory Committee.

Ms. Kamaunu has been an active teacher in the Department of Education's Hawaiian Studies Kupuna program for fourteen years. She has trained under many prominent kumu and has been active in iwi preservation issues, testifying at burial council meetings for the past seven years. Ms. Kamaunu strongly values the wishes of iwi descendants but also seeks balance and peaceful solutions to conflicting needs. Her thorough knowledge of Hawaiian culture and history makes Ms. Kamaunu an ideal candidate for the Island Burial Council, Islands of Maui and Lanai.

IRMALEE POMROY MALY

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Aha Moku Advisory Committee, Waimanalo Hawaiian Homes Association, and ten individuals.

Ms. Maly has served as the principal researcher and projects manager for Kumu Pono Associates LLC, which she started with her husband in 1995. As a researcher and project developer, Ms. Maly researches and documents Hawaiian traditions and history, and her company has published over one hundred Hawaiian ethnographic studies pertaining to Hawaii's communities, cultural practices, and treatment of iwi kupuna. Among other things, she is considered a community expert in site preservation plans, cultural resource management plans, and burial treatment plans. Ms. Maly's significant experience in ethnographic research and historic preservation throughout Hawaii makes her an exceptional candidate for the Island Burial Council, Islands of Maui and Lanai.

KAPULANI ANTONIO

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and six individuals.

Ms. Antonio earned a Bachelor's degree in Hawaiian Studies from the University of Hawaii at Hilo and a Master's degree in Pacific Islands Studies from the University of Hawaii at Manoa. She has served as an instructor of Hawaiian Studies for the University of Hawaii at Hilo, University of Hawaii Center Maui, and Maui Community College. She currently teaches Hawaiian history at Kamehameha Schools in Maui to seniors and, as a fluent Hawaiian language speaker, has taught Hawaiian language at Kamehameha Schools Maui. Ms. Antonio's strong foundation in Hawaiian studies and language, and her integrity and compassion for the care of the iwi kupuna make her an ideal candidate for the Island Burial Council, Islands of Maui and Lanai.

DANE MAXWELL

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Pae 'Aina Communications, Maui Ocean Center, and three individuals.

Mr. Maxwell is a Cultural Specialist/Monitor for his own business, CKM Cultural Resources, where he prepares cultural impact assessments and monitors construction projects in culturally sensitive areas. He also served as a Cultural Specialist for the Maui Ocean Center. Mr. Maxwell, along with his family, has been actively involved in historic preservation practices and protecting iwi kupuna since he was a child, and he learned proper reinterment procedures from his grandfather, Charles Kauluwehi Maxwell, Sr. He is currently providing cultural consulting and monitoring work for the Daniel K. Inouye Solar Telescope project on the summit of Haleakala. In his work, Mr. Maxwell is constantly presented with difficult situations respecting ancient burial sites. His unique perspective and significant experience in working with iwi kupuna make Mr. Maxwell ideally suited to be a member of the Island Burial Council, Islands of Maui and Lanai.

As affirmed by the records of votes of the members of your Committee on 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, 1 (Kidani).

**SCRep. 2885 Technology and the Arts on Gov. Msg. No. 579**

Recommending that the Senate advise and consent to the nomination of the following:

CHIEF INFORMATION OFFICER OF THE OFFICE OF INFORMATION MANAGEMENT AND TECHNOLOGY

G.M. No. 579 KEONE KALI, for a term to expire 6-30-2014

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Keone Kali to possess the requisite qualifications to be nominated as the Chief Information Officer for the Office of Information Management and Technology.

Your Committee received testimony in support of the nomination of Keone Kali from the Department of Accounting and General Services, Hawaii Campaign Spending Commission, Healthcare Association of Hawaii, and thirty-five individuals.

Since October 2012, Mr. Kali has worked as a Deputy Chief Information Officer for the Office of Information Management and Technology. Mr. Kali also served for many years as the Director of Information Technology at the Pacific Disaster Center on Maui, where he modernized the Center's information technology infrastructure. Prior to returning to his home state of Hawaii, he worked in California as a Chief Information Officer and Director of Information Technology for the City of Beverly Hills. Mr. Kali received a Bachelor of Arts in Geography with emphasis in Computer Science from the University of California in Los Angeles.

Your Committee finds that Mr. Kali is admired and respected by his colleagues, as evidenced by the overwhelmingly positive testimony submitted on his behalf. He has been instrumental in successfully implementing and modernizing technology infrastructure and establishing a strong, reliable, and secure technology foundation for Hawaii. Mr. Kali has demonstrated excellent leadership skills and the ability to mobilize multiple departments and bring together differing groups to achieve focused results. He is described as a dynamic leader with the intelligence, expertise, integrity, professionalism, and determination to ensure Hawaii's success in the digital age.

Your Committee finds that Mr. Kali has excellent credentials and has demonstrated a high level of understanding of the State's technology needs and how those needs can be met. He has strong cultural ties to Hawaii and is committed to the development of the State's information technology workforce. Mr. Kali has the experience and leadership capabilities necessary to lead Hawaii in the challenging technology future.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts 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 (Ihara, Slom).

**SCRep. 2886 Judiciary and Labor on Gov. Msg. No. 580**

Recommending that the Senate consent to the nomination of the following:

SUPREME COURT, STATE OF HAWAII

G.M. No. 580 MICHAEL D. WILSON, for a term to expire in ten years

Your Committee has reviewed the resume and statements submitted by the appointee and finds Michael D. Wilson to possess the requisite qualifications to be appointed to the Supreme Court, State of Hawaii.

Your Committee received testimony in support of the appointment of Judge Michael D. Wilson to the position of Associate Justice of the Supreme Court of the State of Hawaii from the Honorable Neil Abercrombie, Governor of the State of Hawaii; Retired Associate Justice James Duffy, Supreme Court of the State of Hawaii; Retired Judge Reynaldo D. Gaulty, Circuit Court of the First Circuit; Retired Judge Michael Town, Circuit Court of the First Circuit; Retired Judge Shackley F. Raffetto, Circuit Court of the Second Circuit; Sovereign Councils of the Hawaiian Homelands Assembly; Hawaii Disability Rights Center; Hawaii Friends of Civil Rights; Collection Law Section of the Hawaii State Bar Association; Hawaii Laborers-Employers Cooperation and Education Trust; and eighty-seven individuals. Your Committee received testimony in opposition to the appointment from one individual. Comments regarding the appointee were submitted by the Hawaii State Bar Association and one individual.

BACKGROUND AND EXPERIENCE

Judge Wilson obtained his Bachelor of Science degree from the University of Wisconsin at Madison where he received and maintained a tennis scholarship throughout his undergraduate studies and served as a team captain during his senior year when the tennis team placed second in the Big Ten Athletic Conference. He also served as a housefellow during his junior and senior years and provided academic counseling to approximately sixty undergraduate students. A housefellow is a resident student dormitory advisor who is selected through a competitive process based on high academic achievement and demonstrated management skills. Lastly, he was a four-year recipient of the Marion Maccarell Scott Scholarship that is awarded to students who graduated from public high schools in Hawaii and attend colleges on the mainland. He later received his Doctorate of Jurisprudence from the Antioch School of Law (now known as the University of the District of Columbia David A. Clarke School of Law). During his last semester of law school, he served as an extern for Judge Samuel P. King, Chief Judge of the United States District Court for the District of Hawaii.

Since May 2000, Judge Wilson has served as a presiding Circuit Court Judge of the Sixth Division of the First Circuit. He currently serves as the presiding judge for the Felony Drug and Mental Health Courts, which is a position he has held since 2008. The purpose of the Drug Court program is to apply current treatment methods to break the addiction cycle and contain crime because drug addiction and family abuse are commonly found to be the underlying problems for most criminal behavior. Graduates of the Drug Court program achieve a healthy self-esteem, become drug-free individuals prepared to seek employment, and learn relapse prevention skills. The Mental Health Court is a post-arraignment court that accepts judge-ordered referrals from Circuit, District, and Family Courts for the purposes of improving the court system's response to the criminalization of persons with serious mental illnesses, thereby reducing the long-term burden on the correctional, probation, parole, and court systems. The success of the court is attributed to the teamwork of the court, Adult Mental Health Division of the Department of Health, treatment facilities, Department of the Prosecuting Attorney of the City and County of Honolulu, and Office of the Public Defender. Judge Wilson's experience with the Drug Court and Mental Health Court programs have provided him with a working knowledge of the most effective judicial rehabilitative and sentencing strategies.

Furthermore, Judge Wilson is assigned the felony criminal calendar and has presided over one hundred fifty jury trials. The class of cases on his calendar include violent crimes, sex crimes, property crimes, and drug crimes. He also currently serves as a Substitute Intermediate Court of Appeals judge to preside over a broad range of cases and all phases of appeals and has written several published concurring and dissenting opinions. Judge Wilson previously served as the lead domestic violence judge from 2000 to 2002, when he presided over a high volume calendar involving approximately twenty new cases per week.

Prior to his appointment to the Circuit Court bench, Judge Wilson served as the State Consumer Advocate and, most notably, the Chairperson of the Board of Land and Natural Resources. As head of the Department of Land and Natural Resources and Chairperson of the Water Commission, he was directly responsible for the State's aquatic resources, forests and wildlife, historic preservation, public land management, state parks, and the Department's enforcement division. He traveled weekly to the neighbor islands for community meetings and department activities that allowed him to gain personal exposure to the State's unique ocean and terrestrial settings on all islands and meet the residents of each island in the State. Judge Wilson noted in his judicial application that his philosophy as Chairperson was that the Department had a profound responsibility to manage the Earth's best resources. His tenure with the Department of managing approximately six hundred employees with a budget of over \$70,000,000 allowed him to gain substantial insight and experience on issues relating to the legislative and executive branches of state government.

Of particular note, as Chairperson, Judge Wilson sat in a quasi-judicial capacity for contested case hearings and in a quasi-legislative role for regular meetings. He noted in his judicial application that the most significant proceeding during his tenure was the Waiahole contested case before the Water Commission. The primary issue of this case was the allocation of approximately twenty-seven million gallons of water per day that runs through the Waiahole Ditch on the leeward side of Oahu. The hearing involved twenty-five parties and one hundred sixty witnesses and lasted approximately six months. Judge Wilson noted that this case was an extremely rewarding experience that prepared him for complex administrative law issues.

Lastly, Judge Wilson gained a wide range of experience in the law during his fourteen years of private practice that consisted of litigation in state and federal courts. He has experience in criminal and civil jury trials and appellate practice in state and federal jurisdictions.

Judge Wilson is licensed to practice law in Hawaii and is an active participant in the legal community by serving as a board member of the Hawaii Supreme Court Attorneys and Judges Assistance Program. His public service activities include serving as a mentor for a fifteen-year-old boy who is part of the Angel Tree Community Group that provides services for children with parents who are incarcerated. For the past three years, he has also actively participated in Na Kama Kai, which is a nonprofit community group that introduces children to the ocean. Surfers, lifeguards, and other volunteers teach children between the ages of four to thirteen how to surf, paddleboard, and canoe to develop these skills while gaining a deeper appreciation and respect for the ocean and Hawaiian culture.

#### TESTIMONY IN SUPPORT

Testimony in support of Judge Wilson commends him for his integrity, moral courage, legal ability, and commitment to the community. As a lawyer, public servant, and Circuit Court judge, he has demonstrated his commitment to equal justice under the law regardless of position or social status. He has a deep and abiding respect for the law and solid understanding of the delicate separation of powers between the three branches of government. He deeply respects the division of creating policy, which is under the purview of the Legislature and applying the policy, which is the responsibility of the court. He testified that if a law is unclear as to what the Legislature intended, then it would be prudent for the court to allow the Legislature to provide further clarity. Furthermore, when asked by your Committee to interpret his role when making a decision that is based on an article of the State Constitution that lacks additional statutory guidance, Judge Wilson explained that he would first determine whether a similar or related provision of the law existed and if not, then he would consult sources that may assist in the interpretation, such as the documents of the Constitutional Convention. He further explained that there are instances, such as the decision under *Public Access Shoreline Hawaii v. Hawaii County Planning Commission*, more commonly known as the PASH decision, when the court needs to recognize an important longstanding issue and interpret the Constitution to come to a resolution.

Testifiers in support also praise Judge Wilson for his work with the Native Hawaiian community, especially during his tenure as Chairperson of the Board of Land and Natural Resources. During his tenure, he assisted the Department in making land transfers to the Department of Hawaiian Home Lands, assisted residents on Molokai in establishing community based rules for fishing based on Hawaiian cultural practices at Hoolehua Homestead for Moomomi Bay, and assisted in protecting Kawainui Marsh as a cultural site for the Hawaiian community. Furthermore, regarding his community service, testimony praised his commitment to the Angel Tree Community Group, where his dedication and impact to his mentee has been unsurpassed.

#### HAWAII STATE BAR ASSOCIATION'S RATING

Despite the overwhelming testimony in support of the appointment, your Committee notes that the Hawaii State Bar Association (HSBA) Board of Directors found the appointee to be unqualified for the position of Associate Justice of the Hawaii Supreme Court,

based on established criteria for determining the qualifications of judicial and executive appointments generally using the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Specifically, the Board uses the following criteria in its deliberations: integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, health, and responsibilities and duties required of the position for which the applicant has been nominated. The Board's rating system includes the categories of "qualified" and "not qualified".

Your Committee is deeply concerned and disappointed that the process the HSBA Board of Directors uses to make a finding of "qualified" or "unqualified" lacks the legal principles of due process and is fundamentally flawed and unfair. Following a comment period where HSBA members are solicited to confidentially share their input and past experiences regarding the appointee with the HSBA Board, the HSBA Board members review these comments and then interview the appointee. During the interview, the appointee is apprised of the nature of any negative comments so that the appointee may fairly address those concerns during the appointee's interview. After the interview, the Board members each take a separate vote to rate the appointee. The basis upon how each Board member voted is confidential and not subject to disclosure to your Committee or to the public.

Your Committee further notes that the extremely confidential nature and procedures of the process that HSBA uses to rate judicial nominees have been longstanding concerns. Because your Committee was unable to obtain from HSBA the details of the negative comments, if any, solicited by its membership; issues or concerns that the Board members had regarding the appointee, if any; or how the Board voted, your Committee asked Judge Wilson to describe the interview process he experienced with the HSBA Board. Judge Wilson explained that he was asked questions by the HSBA Board members present about his personal life, including whether he had been arrested or publically intoxicated, which he answered in the negative. Furthermore, he was asked about allegations that occurred almost fifteen years ago that were previously raised and determined by your Committee to be unfounded when Judge Wilson was appointed to the Circuit Court bench in 2000, at which time the HSBA Board found him to be "highly qualified" for the position. Your Committee and the Governor duly note these allegations but find that these allegations are unsubstantiated. As a result, Judge Wilson testified he felt he was not afforded due process because the nature of any negative comments lacked specificity, including but not limited to the date, time, place, or other specific circumstances pertaining to the allegations. As a result, the appointee could not provide any responses to the unsubstantiated allegations.

Your Committee was disappointed in the responses from the HSBA regarding the reasons for cloaking its evaluation process under a veil of secrecy. The HSBA President-Elect testified that confidentiality protects attorneys and the attorneys' clients from retribution in the event that a judge is able to determine the attorney who submitted a negative comment when HSBA solicited comments from its membership. However, your Committee is not convinced that retribution is a reason to keep certain components of an important process confidential, especially when the procedures of the American Bar Association's (ABA) Standing Committee on the Federal Judiciary, which evaluates the professional qualifications of persons nominated to the federal bench, authorize the Chairperson to appoint a second evaluator in the event that the prospective nominee is rated "unqualified" as a matter of fairness. When asked to distinguish between the HSBA's evaluation guidelines for state judges, which do not provide for a second evaluation, and evaluation guidelines for federal judges, the HSBA President-Elect reasoned that Hawaii is a small, unique state where state judges interact with attorneys and the public on a daily basis. Thus, confidentiality is necessary to protect attorneys and the public from retribution. Your Committee finds this reasoning to be unsound and disagrees. Furthermore, your Committee notes that the ABA's Standing Committee on the Federal Judiciary prepares and submits a written statement to the United States Senate Judiciary Committee explaining the ABA Committee's reasons for finding the appointee for the federal bench unqualified. This procedure is implemented despite the fact that federal district court judges also reside and interact daily with attorneys and the public within this same small, unique State.

Therefore, your Committee believes that the HSBA's qualification process for a position to serve as a jurist at every level lacks due process. This is unfortunate, especially when the HSBA represents the profession of law, which consists of upholding and defending laws and constitutional rights that guarantee due process. In fact, your Committee is further troubled by the HSBA President-Elect's testimony that although in his opinion the process is unfair, the unfairness is justified. Your Committee respectfully disagrees that such a process is justified. While your Committee recognizes that maintaining a certain level of confidentiality is necessary to encourage the appointee's peers to submit comments without the fear of reprisal or retaliation from the appointee or the appointee's supporters, the policy and procedures of the HSBA Board's process prevents your Committee from determining the weight to give the HSBA Board's finding.

Your Committee further notes that Ken Kobayashi, the Honolulu Star-Advertiser reporter assigned to the courts in 2011, wrote an article, "State bar to share evaluations", dated January 18, 2011. This article stated that HSBA had amended its rules to allow for the disclosure of the reasons for its "qualified" or "unqualified" findings for judicial nominees in the wake of the controversy over the HSBA's negative rating of Chief Justice nominee Katherine Leonard. The article further stated that the new policy would allow the HSBA President, with HSBA Board approval, to disclose the reasons for the Board's findings. After the recent confirmation hearing for Judge Wilson, your Committee inquired with the HSBA regarding this policy that was reported in January 2011. The HSBA Executive Director responded in an email that the Board minutes do not reflect Board action specifically modifying its policy that would allow the disclosure of reasons for the Board's finding that Judge Wilson is unqualified. Furthermore, after consulting with a couple of HSBA Board members who were sitting members at the time that this policy would have been adopted, the Executive Director stated that a Board member recollected that there was discussion about allowing the HSBA President to issue a statement if an appointee was deemed "unqualified". However, from her review of the Board minutes, "that proposition was never put to a vote and incorporated in the Board Policy". Your Committee finds this action unfortunate and disingenuous.

#### CONCLUSION

All of the actors in the appointment process, including the Judicial Selection Commission, HSBA, Governor, and Senate, are essential in assuring that the individual who ultimately assumes the weighty mantle of judicial responsibility has been thoroughly vetted, is qualified for the position, and possesses the requisite qualities to fairly, intelligently, and impartially interpret and apply the law that governs our society. As described in the Hawaii Revised Code of Judicial Conduct, "the judiciary plays a central role in preserving the principles of justice and the rule of law. . . . [J]udges, individually and collectively, must respect and honor the judicial office as a public trust and strive to maintain and enhance confidence in the legal system." Accordingly, your Committee takes its role in the judicial appointment process seriously.



Notwithstanding the HSBA Board's finding of Judge Wilson as "unqualified", your Committee is not aware of the basis for the HSBA Board's finding. Therefore, the unanimous vote of your Committee to recommend Judge Wilson for the Senate to consent to the appointment reflects your Committee's disappointment in the HSBA Board's judicial nominee evaluation process and concern over the reliability and credibility of the HSBA's resultant finding. Testimony from the legal community, and community advocates from Molokai, and notable individuals from the Hawaiian community reflect the nominee as being multi-faceted, which is an important quality of a jurist.

Accordingly, your Committee finds that, based on the testimony submitted on his behalf, Judge Michael D. Wilson has the experience, temperament, judiciousness, and other competencies to be an Associate Justice of the Hawaii Supreme Court, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for an Associate Justice of the Hawaii Supreme Court.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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, 7. Noes, none. Excused, none.

**SCRep. 2887 Energy and Environment on H.B. No. 2060**

The purpose and intent of this measure is to:

- (1) Establish a renewable fuels production tax credit to achieve greater energy security for Hawaii; and
- (2) Repeal the ethanol facility tax credit.

Your Committee received testimony in support of this measure from the Ulupono Initiative; Renewable Energy Action Coalition of Hawaii; Hawaii Renewable Energy Alliance; Pacific Biodiesel; Upcountry Mobile Mechanic Service, LLC; Maui Recycling Service; and twenty-one individuals. Your Committee received comments on this measure from the Department of the Attorney General; Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee finds that Hawaii is extremely vulnerable to soaring prices or disruptions of its energy imports, which can hinder, cripple, or even devastate the State's economy and the well-being of its residents and visitors. As the most isolated land mass on Earth, Hawaii imports nearly ninety percent of its energy supply. It is critical for Hawaii to ensure greater energy security by becoming more self-sufficient in its energy supply.

Your Committee intends this measure to be a test case to show that Hawaii needs an exemption from interstate commerce laws in order to achieve greater energy security. As the most isolated land mass on Earth, Hawaii has the longest energy supply line of any state in the nation and is thus vulnerable to supply disruptions. Hawaii currently imports virtually all of its crude oil from Indonesia, which is more than 6,700 miles from Honolulu. The nearest state, California, is more than 2,500 miles from Honolulu. Having locally produced renewable fuels made from local feedstock is necessary for Hawaii to achieve greater energy security.

Your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 2197, S.D. 2, which are substantively similar, except that the measure:

- (1) Clarifies that a taxpayer is prohibited from claiming a renewable fuels production tax credit for more than five years beginning from the first taxable year in which the taxpayer begins qualifying renewable fuels production;
- (2) Establishes that the renewable fuels production tax credit shall be equal to 20 cents per one hundred fifteen thousand British thermal units of renewable fuels using the lower heating value produced and sold for distribution in Hawaii;
- (3) Establishes a cap of \$3,000,000 for the renewable fuels production tax credit that a taxpayer may claim per taxable year;
- (4) Defines "qualifying renewable fuels" to mean fuels produced within the State from renewable feedstocks transported less than two thousand miles from point of origin to the production facility located within the State; provided that the fuels shall be sold in the State as fuel; provided further that the renewable fuels meet the relevant ASTM International specifications for the particular fuel or other industry specifications for liquid or gaseous fuels;
- (5) Deletes the definitions of "renewable fuels" and "thermal units";
- (6) Requires the Department of Business, Economic Development, and Tourism to discontinue certifying renewable fuels production tax credits if the annual amount of certified credits reaches \$12,000,000; provided that in no instance shall the total amount of certified credits exceed \$12,000,000;
- (7) Does not disqualify a taxpayer from claiming a renewable fuels production tax credit if the taxpayer does not provide written notice of the taxpayer's intention to begin production of qualifying renewable fuels;
- (8) Does not disqualify a taxpayer from claiming a renewable fuels production tax credit if the taxpayer does not provide written notice to the Director of Taxation and Director of Business, Economic Development, and Tourism, within thirty days following the start of production, of the production start date and expected production for the next twelve months;
- (9) Does not disqualify a taxpayer from claiming a renewable fuels production tax credit if the taxpayer does not provide information to the Director of Business, Economic Development, and Tourism for each calendar year during the credit period on the number of British thermal units of renewable fuels produced and sold, feedstocks used for renewable fuels production, the number of employees of the facility and each employee's state of residency, and the projected number of British thermal units of renewable fuels production for the succeeding year;

- (10) Deletes language that would have prohibited a taxpayer from claiming the renewable fuels production tax credit after taxable years beginning after December 31, 2025;
- (11) Deletes language that would have allowed the Director of Taxation to audit and adjust the certification process as necessary for renewable fuels production tax credits;
- (12) Includes a severability clause;
- (13) Has an effective date of July 1, 2050; and
- (14) Includes technical, nonsubstantive amendments for the purposes of clarity 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. 2060, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2060, 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 (Chun Oakland, Ihara).

**SCRep. 2888 Commerce and Consumer Protection on H.B. No. 716**

The purpose and intent of this measure is to:

- (1) Clarify that the Board of Public Accountancy may take one or more disciplinary actions against any person for violations of public accountancy regulatory law;
- (2) Repeal the maximum amount of time for which the Board of Public Accountancy may suspend or refuse to renew a license or permit; and
- (3) Increase the amount of the administrative fine that may be imposed for any violation of public accountancy regulatory law.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Board of Public Accountancy, and Hawaii Society of Certified Public Accountants.

Your Committee finds that a state court has determined that the Board of Public Accountancy (Board) is allowed to impose only one disciplinary sanction against a public accountant licensee in a disciplinary action. The Board can therefore suspend a license but cannot also order a fine, restitution, or continuing professional education. The court's interpretation does not reflect the intent of the Board and is inconsistent with the disciplinary authority of other boards and regulatory programs. Accordingly, this measure explicitly authorizes the Board to impose one or more disciplinary actions, when appropriate, for violations of the public accountancy licensing statutes and administrative rules.

Your Committee further finds that this measure increases the maximum administrative fine that the Board may impose for a licensing violation. The current amount has not been increased since the fines were established in the 1980s and is inconsistent with fines currently imposed for violations in other professions and trades. The increased fines, as proposed by this measure, will serve as a more meaningful deterrent or sanction for egregious violations of public accountancy laws. This measure therefore benefits consumers by encouraging increased compliance by certified public accountants, public accountants, and public accounting firms with the public accountancy licensing statute and by aiding the enforcement efforts of the Regulated Industries Complaints Office.

Your Committee has amended this measure by making a technical, nonsubstantive amendment 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 H.B. No. 716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 716, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2889 Commerce and Consumer Protection on H.B. No. 570**

The purpose and intent of this measure is to increase the fine against unlicensed contractors who commit licensing violations against elderly persons.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Contractors License Board, and Subcontractors Association of Hawaii.

Your Committee finds that many victims of unlicensed contractors suffer in some way, from losing down payments to facing the effects of poor workmanship. Elderly victims of unlicensed contractors are particularly vulnerable because they may have fewer resources. According to testimony from the Regulated Industries Complaints Office, for the last five years, the office has investigated or prosecuted at least forty-seven contracting complaints involving elderly persons. Your Committee further finds that the fine amount for unlicensed contractors who commit licensing violations against elderly persons has not increased since 1996. This measure increases that fine amount from \$10,000 to \$20,000 in an effort to more strongly deter unlicensed contracting violations against the elderly.

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. 570, 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 (Wakai).

**SCRep. 2890 Commerce and Consumer Protection on H.B. No. 2585**

The purpose and intent of this measure is to clarify the parties that a homeowners association can serve notice of default and intention to foreclose through publication and posting, after a hearing before a judge, in a nonjudicial foreclosure proceeding.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Collection Law Section of the Hawaii State Bar Association, Community Association Institute, and two individuals.

Your Committee finds that under section 667-92, Hawaii Revised Statutes, an association is required to serve its notice of default and intention to nonjudicially foreclose on certain parties. If an association cannot find the unit owner, it may go to court to ask for permission to serve the owner by publication and posting. However, section 667-92, Hawaii Revised Statutes, has been interpreted in some cases to not specifically allow an association to serve any other potential defendants, such as defunct lenders or long lost judgment holders, by publication and posting if these entities or individuals cannot be found. This prevents the association's nonjudicial foreclosure from going forward, and the financial and time saving benefits of the nonjudicial foreclosure process are lost.

Your Committee finds that this measure addresses this concern by allowing a judge to approve service of certain other missing defendants by publication and posting so an association's nonjudicial foreclosure can continue. In doing so, this measure also supports the intent of chapter 667, part VI, Hawaii Revised Statutes, which is to provide associations with a means to foreclose nonjudicially without having to resort to the expensive and time-consuming judicial foreclosure 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 H.B. No. 2585, 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 (Slom).

**SCRep. 2891 (Joint) Human Services and Health on H.B. No. 2053**

The purpose and intent of this measure is to establish and appropriate funds out of the trauma system special fund for a Fall Prevention and Early Detection Coordinator position within the Emergency Medical Services and Injury Prevention System Branch of the Department of Health.

Your Committees received testimony in support of this measure from the Department of Health, Executive Office on Aging, Hawaii Primary Care Association, International Longshore and Warehouse Union Local 142 Hawaii, Hawaii Alliance for Retired Americans, Policy Advisory Board for Elder Affairs, Zonta Club of Hilo, Child and Family Service, and two individuals.

Your Committees find that falls and fall-related injuries among older adults impose an enormous burden on individuals, society, and the State's health care system. Among the elderly in Hawaii, falls are the leading cause of fatal injuries, hospitalizations, and injuries needing emergency medical services among adults sixty-five years of age and older. Over half of adults hospitalized from a fall are discharged to a nursing facility or rehabilitation center, and many never regain full independence. Hospital costs associated with fall-related injuries average over \$65,000,000 per year. Your Committees find that falls can be prevented and a statewide approach is needed to address this significant public health issue, as the number of older adults is expected to increase over the next twenty years to more than eighteen percent of the State's population.

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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2053, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2053, 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.

Human Services

Ayes, 3; Ayes with Reservations (Taniguchi). Noes, none. Excused, 2 (Kidani, Slom).

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2892 Human Services on H.B. No. 1754**

The purpose and intent of this measure is to encourage individuals with disabilities to gain employment and improve their employment opportunities by establishing a Medicaid buy-in program.

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Hawaii Disability Rights Center, Hawaii Primary Care Association, Healthcare Association of Hawaii, Lanakila Pacific, and Community Alliance for Mental Health. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that employment is a key factor in self-determination and quality of life for individuals with disabilities and that encouraging employment promotes economic development in the State and the well-being of Hawaii's citizens with disabilities. Your Committee also finds that it is essential for individuals with disabilities who obtain employment to maintain their Medicaid eligibility so that they do not lose valuable medical benefits and support services. Your Committee recognizes that the Medicaid buy-in program proposed in this measure would not be operational until July 1, 2017, at the latest, yet there are individuals with disabilities currently in danger of losing their medical benefits and services if they obtain employment.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that establishes a Medicaid buy-in pilot program that must be implemented by July 1, 2015, will terminate on June 30, 2017, and will serve one hundred individuals with disabilities who are no longer eligible for Medicaid benefits because they obtained employment;
- (2) Inserting an appropriation in the amount of \$400,000 to the Department of Health for the Medicaid buy-in pilot program;
- (3) Adding language requiring the Department of Health to assist the Department of Human Services with its report to the Legislature so that the report includes an update on the Medicaid buy-in pilot program; and
- (4) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1754, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1754, 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 (Kidani, Slom).

**SCRep. 2893 Education on H.B. No. 2257**

The purpose and intent of this measure is to:

- (1) Increase the salary cap of the Superintendent of Education from \$150,000 to \$250,000 a year;
- (2) Require the Board of Education to consider altering the Superintendent of Education's benefits package; and
- (3) Require the Board of Education to submit a report to the Legislature each time it alters the Superintendent of Education's salary.

Your Committee received testimony in support of this measure from the Board of Education, Hui for Excellence in Education, Hawaii Business Roundtable, and Hawaii Association of Independent Schools. Your Committee received comments on this measure from one individual.

Your Committee finds that the salary of the Superintendent of Education has not been adjusted for over ten years. The Superintendent of Education's current salary is well below national norms. In addition, at least four public school principals under the Superintendent of Education currently make as much, or more, than the Superintendent. This measure adjusts the salary cap of the Superintendent of Education based upon a comprehensive review of similar positions and responsibilities for superintendents in comparable school districts in the United States and provides the Board of Education with more flexibility to establish the salary of the Superintendent of Education.

Your Committee also notes that unlike the President of the University of Hawaii, the Superintendent of Education does not receive any benefits such as a housing allowance or cost of living allowance and receives only those benefits afforded other state workers.

Your Committee has amended this measure by:

- (1) Adding language to require an annual evaluation of the Superintendent of Education based on outcomes determined by the Board of Education;
- (2) Removing language requiring the Board of Education to consider the option of altering the Superintendent of Education's benefits package;
- (3) Removing language requiring the Board of Education to submit a report to the Legislature following each instance in which it adjusts the Superintendent of Education's salary; and
- (4) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2257, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2257, 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 (Gabbard, Slom).

**SCRep. 2894 Education on H.B. No. 2276**

The purpose and intent of this measure is to establish a statewide early childhood education program to be administered by the Executive Office on Early Learning and implemented upon the ratification of the amendment to article X, section 1, of the Hawaii State Constitution, as proposed in S.B. No. 1084, S.D. 1, H.D. 1, C.D. 1, which was passed by the legislature in the Regular Session of 2013.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning; Department of Education; Department of Public Safety; Department of Health; University of Hawai'i System; Kualapu'u Public Conversion Charter School; Aloha United Way; Partners in Development Foundation; 'Aha Pūnana Leo; Kama'aina Kids; Hawaii Business Roundtable, Incorporated; Hawai'i Association for the Education of Young Children; Hawaii Association of Independent Schools; Ho'okako'o Corporation; Hui for Excellence in Education; Kamehameha Schools; Early Learning Advisory Board; The Chamber of Commerce of Hawaii; Democratic Party of Hawaii; Institute for Native Pacific Education and Culture; Good Beginnings Alliance; Kualapu'u Public Conversion Charter School; Hawai'i Community Foundation; The Pacific Resource Partnership; National Association of School

Psychologist, Hawaii Chapter; and one hundred ninety-six individuals. Your Committee received testimony in opposition to this measure from the Hawaii State Teachers Association, IMUAlliance, and twenty-five individuals. Your Committee received comments on this measure from the American Civil Liberties Union of Hawai'i.

Your Committee finds that high quality early learning programs that are affordable and accessible for all children are critically important for ensuring the success of Hawai'i's keiki.

Your Committee recognizes the need to form public-private partnerships to provide Hawai'i's keiki with high-quality early childhood education. Private, community-based early learning programs have been the mainstay providers for quality early education in our State for many years. This measure, which will be implemented upon the ratification of an amendment to article X, section 1, of the Hawaii State Constitution, will allow the Executive Office on Early Learning to contract with private early learning education programs. This measure, along with appropriate funding, will help provide access to quality early learning programs for eighty-five percent of four-year olds by 2018 and will assist more children in establishing a solid foundation for success in school and life.

Your Committee stresses that this measure does not implement a voucher system in any way and that any private providers who contract with the Executive Office on Early Learning will be required to follow all state and federal laws, including but not limited to the Establishment Clause of the First Amendment to the United States Constitution; article 1, section 4, of the Hawaii State Constitution; and anti-discrimination laws.

Your Committee has amended this measure by:

- (1) Making this measure effective upon its approval and upon the ratification of a constitutional amendment permitting the appropriation of public funds for private early childhood education; and
- (2) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2276, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2276, 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, 2 (Gabbard, Slom).

**SCRep. 2895 Education on H.B. No. 1676**

The purpose and intent of this measure is to authorize the Executive Office on Early Learning to enter into agreements with the Department of Education and charter schools for the use of vacant or underutilized classrooms for use as public preschools.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning, Department of Education, Department of Health, University of Hawaii at Manoa College of Education, State Public Charter School Commission, Kualapu'u Public Conversion Charter School, Hawai'i Association for the Education of Young Children, Samuel N. and Mary Castle Foundation, Hawaii Association of Independent Schools, Hawaii Primary Care Association, Ho'okako'o Corporation, Kamehameha Schools, Early Learning Advisory Board, Castle & Cooke Hawai'i, Hui for Excellence in Education, The Chamber of Commerce of Hawai'i, Democratic Party of Hawai'i, Good Beginnings Alliance, Institute for Native Pacific Education and Culture, The Pacific Resource Partnership, Hawai'i Community Foundation, Hawaii State Teachers Association, IMUAlliance, and sixty-eight individuals.

Your Committee finds that the significant, long-term benefits realized through investments in high-quality, early learning systems have been proven through decades of research. Your Committee also finds that the Department of Education and several charter schools may have facilities and highly qualified professionals that can provide Hawai'i's children with access to public preschools. This measure will direct the Executive Office on Early Learning (Office) to enter into agreements with the Department of Education and charter schools to provide students with the opportunity to attend a public preschool and ensure greater school readiness prior to entering kindergarten. In many of our communities, public preschools will play a critical role as part of a mixed delivery system, given the lack of access to private preschool providers.

The Office has already identified thirty-two classrooms in thirty schools statewide to operate public preschool programs. These programs will be operated and supported by Department of Education teachers and staff and will serve approximately six hundred forty children.

Your Committee further finds that several charter schools have space available to operate public preschool programs.

Your Committee has amended this measure by:

- (1) Clarifying that the Office may enter into agreements with the Department of Education and charter schools for the use of available classrooms, rather than requiring the classrooms to be vacant or underutilized;
- (2) Adding language requiring the Office to enter into agreements with no more than five charter schools for the use of available classrooms for public preschool programs through June 30, 2019;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 Education 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, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 2896 Technology and the Arts on H.B. No. 2051**

The purpose and intent of this measure is to amend the criteria for the works of art to be commissioned to commemorate the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts, Department of Accounting and General Services, and United Public Workers, AFSCME, Local 646, AFL-CIO.

Your Committee finds that the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink were influential leaders in the development and history of Hawaii and therefore should be honored and remembered through works of art that portray their life, vision, accomplishments, impact, and legacy.

Your Committee notes that the companion to this measure, S.B. No. 2617, S.D. 2, Regular Session of 2014, which was previously passed by the Senate, amends the requirement that the work of art commemorating Daniel K. Inouye be permanently installed by December 17, 2014, and amends the appropriation to an unspecified amount.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. 2617, S.D. 2, a substantively similar measure, which:

- (1) Amends the criteria for the works of art to be commissioned to honor the late Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink;
- (2) Deletes the requirement that the work of art portraying Senator Daniel K. Inouye be installed in time for unveiling on December 17, 2014; and
- (3) Amends the appropriation for both works of art to an unspecified amount for the 2013-2014 fiscal biennium.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2051, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2051, 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, 2 (Ihara, Tokuda).

**SCRep. 2897 Technology and the Arts on H.B. No. 2539**

The purpose and intent of this measure is to honor Saint Marianne Cope and her legacy by designating January 23 of each year as Saint Marianne Cope Day, which would not be a state holiday.

Your Committee received testimony in support of this measure from the Hawaii Catholic Conference, Hawaii Family Forum, and six individuals.

Your Committee finds that Saint Marianne Cope of Molokai was a German-born American and a member of the Sisters of Saint Francis of Syracuse, New York. She spent many years caring for patients suffering from Hansen's disease on Molokai and was presented the medal of the Royal Order of Kapiolani by King Kalakaua. On October 21, 2012, Mother Marianne was canonized as Saint Marianne Cope by His Holiness Pope Benedict XVI. Saint Marianne is only the second person, after Father Damien, who had served in Hawaii to be canonized, and she is only the eleventh American citizen to receive the Roman Catholic Church's highest honor. This measure honors Saint Marianne Cope for her charitable work, virtuous deeds, and enduring legacy in Hawaii.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2539 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 (Ihara, Tokuda).

**SCRep. 2898 Technology and the Arts on H.B. No. 2593**

The purpose and intent of this measure is to reduce graffiti through the establishment of a pilot program for the creation of urban art on state property under the direction of the State Foundation on Culture and the Arts.

Your Committee received testimony in support of this measure from the Department of Transportation, the State Foundation on Culture and the Arts, and one individual.

Your Committee finds that graffiti is a pervasive problem in many communities throughout the State, causing visual blight, resulting in unsightly scenery, and negatively impacting property values. However, graffiti is also recognized as a legitimate artistic genre. Urban art, including graffiti, is a form of social commentary and expression by youth who are continuously looking for ways to share their creative point of view. This measure seeks to reduce graffiti by providing opportunities for social expression through the establishment of a pilot program for the creation of urban art on state property under the direction of the State Foundation on Culture and the Arts.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2593, 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, 3. Noes, none. Excused, 2 (Ihara, Tokuda).

**SCRep. 2899 Commerce and Consumer Protection on Gov. Msg. No. 508**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF DENTAL EXAMINERS**

G.M. No. 508 JANET PRIMIANO, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Janet Primiano to possess the requisite qualifications to be nominated to the Board of Dental Examiners.

Your Committee received testimony in support of the nomination of Janet Primiano from the Department of Commerce and Consumer Affairs, Kanemaru Dental Group, and five individuals.

Upon review of the testimony, your Committee finds that Ms. Primiano's background, experience, and commitment to public service qualify her for appointment to the Board of Dental Examiners as a dental hygienist member. Your Committee notes that Ms. Primiano has been licensed as a dental hygienist in Hawaii since 1980, has a Master of Public Health degree, and is an active member of the Hawaii Dental Hygienists' Association. Ms. Primiano is currently employed with the Kanemaru Dental Group and the dental practice of Mark Y. Shimao, D.D.S., Inc., and is a coordinator and examiner for Central Regional Dental Testing Services, Inc. Your Committee also notes that Ms. Primiano previously worked for the Kokua Kalihi Valley Community Health Center and the Honolulu Community Action Program, Oahu Head Start and previously served as the President of the Board of Directors for Na Lei Wili, an Area Health Education Center based on Kauai. Your Committee further finds that Ms. Primiano has served as an interim member of the Board of Dental Examiners since January 2014, has a thorough understanding of the role and responsibilities of board members by virtue of her previous service on the board from 1994 through 2002, and recommends that she be appointed to the Board of Dental Examiners based on her knowledge, experience, and desire to contribute to the community.

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, 1 (Wakai).

**SCRep. 2900 Commerce and Consumer Protection on Gov. Msg. No. 534**

Recommending that the Senate advise and consent to the nomination of the following:

**CONTRACTORS LICENSE BOARD**

G.M. No. 534 LEONARD LEONG, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Leonard Leong to possess the requisite qualifications to be nominated to the Contractors License Board.

Your Committee received testimony in support of the nomination of Leonard Leong from the Department of Commerce and Consumer Affairs; Hawaii Laborers-Employers Cooperation and Education Trust; Laborers' International Union of North America Local 368; General Contractors Association of Hawaii; Hawaii Regional Council of Carpenters; Building Industry Association of Hawaii; The Pacific Resource Partnership; Hawaii Operating Engineers Industry Stabilization Fund; Castle & Cooke Homes Hawaii, Inc.; D.R. Horton - Schuler Homes, LLC; EAH Housing; Self-Help Housing Corporation of Hawaii; Walter P. Thompson, Inc.; Santo Engineers, LLC; Ralph S. Inouye Co., Ltd.; B & C Trucking Co., Ltd.; Jayar Construction, Inc.; Hawaiian Dredging Construction Company, Inc.; S & M Sakamoto, Inc.; King & Neel, Inc.; Genba Hawaii, Inc.; Healy Tibbitts Builders, Inc.; and one individual.

Upon review of the testimony, your Committee finds that Mr. Leong's professional experience, background, and commitment to public service qualify him for appointment to the Contractors License Board as a licensee member. Your Committee notes that Mr. Leong has been in the construction industry for over forty years and has maintained his general contractor's license in general engineering since 1974. Mr. Leong also holds a general building license classification and a specialty license in landscaping and is the Vice President of Royal Contracting Company Limited, where he has worked since 1970. Mr. Leong serves as a Director of the General Contractors Association of Hawaii and has served on a number of construction industry and community boards and commissions, including the Hawaii Laborers Joint Apprenticeship Committee, Hawaii Laborers Pension Fund, State One Call Advisory Commission, Honolulu Police Commission, Environmental Council, and Nuuanu Neighborhood Board. Your Committee further finds that Mr. Leong has a thorough understanding of the role and responsibilities of board members and has extensive experience that will be an asset to the Contractors License Board and recommends that Mr. Leong be appointed to the Contractors License Board based on his experience, knowledge of the profession, and desire to give back to his industry and the community.

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, 1 (Wakai).

**SCRep. 2901 Commerce and Consumer Protection on Gov. Msg. Nos. 535 and 536**

Recommending that the Senate advise and consent to the nominations of the following:

**REAL ESTATE COMMISSION**

G.M. No. 535 ROWENA COBB, for a term to expire 6-30-2018; and

G.M. No. 536 NIKKI SENTER, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Rowena Cobb and Nikki Senter to possess the requisite qualifications to be nominated to the Real Estate Commission.

ROWENA COBB

Your Committee received testimony in support of the nomination of Rowena Cobb from the Real Estate Commission, Hawai'i Association of REALTORS, and twelve individuals.

Upon review of the testimony, your Committee finds that Ms. Cobb's background, experience, and proven leadership on the Real Estate Commission qualify her for reappointment to the Real Estate Commission as a broker member representing Kauai County. Your Committee notes that Ms. Cobb has been the principal broker and owner of her company, Cobb Realty, on Kauai since 1982. Ms. Cobb is actively involved with her professional organizations, including serving as past President of the Kauai Board of REALTORS, Chairperson of the Hawaii Association of REALTORS Standard Forms Committee and Government Affairs Committee, and member of the Hawaii Association of REALTORS Education Committee. Ms. Cobb is also dedicated to public service and currently serves as Director of the Koloa Community Association and Treasurer of the Kauai Food Bank. Ms. Cobb has been a member of the Real Estate Commission since 2011, currently serves as a member of the Commission's Education Committee, and has a keen knowledge of the laws and rules that affect the Commission's work. Your Committee further finds that Ms. Cobb has been a dedicated member of the Real Estate Commission and recommends that she be reappointed to the Real Estate Commission based on her knowledge, extensive experience, and commitment to public service.

NIKKI SENTER

Your Committee received testimony in support of the nomination of Nikki Senter from the Real Estate Commission, Hawai'i Association of REALTORS, and six individuals.

Upon review of the testimony, your Committee finds that Ms. Senter's background, experience, and proven leadership on the Real Estate Commission qualify her for reappointment to the Real Estate Commission as a public member. Your Committee notes that Ms. Senter has been a real estate development attorney in Hawaii for thirteen years, and her legal practice's emphasis on residential condominiums, condominium hotels, and subdivisions has been an asset to the Real Estate Commission. Ms. Senter has been a member of the Real Estate Commission since 2011, currently serves as its Chair, and has a thorough understanding of the laws and rules that affect the Commission's work. During her time as Chair of the Real Estate Commission, the Commission finalized the draft update of chapter 99, Hawaii Administrative Rules, relating to real estate brokers and salespersons, and formed a blue ribbon panel of practitioners and stakeholders to continue the rulemaking process for chapter 107, Hawaii Administrative Rules, relating to horizontal property regimes. Your Committee further finds that Ms. Senter has been a valuable member of the Real Estate Commission and recommends that she be reappointed to the Real Estate Commission based on her professional background, knowledge, and dedication to serving the public.

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, 1 (Wakai).

**SCRep. 2902 Commerce and Consumer Protection on Gov. Msg. No. 537**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 537 REID SAITO, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Reid Saito to possess the requisite qualifications to be nominated to the Board of Examiners in Optometry.

Your Committee received testimony in support of the nomination of Reid Saito from the Department of Commerce and Consumer Affairs and Hawaii Optometric Association.

Upon review of the testimony, your Committee finds that Dr. Saito's experience, desire to serve the community, and proven leadership on the Board of Examiners in Optometry qualify him for reappointment to the Board of Examiners in Optometry as a licensee member. Your Committee notes that Dr. Saito is an optometrist in private practice and has been licensed in Hawaii since 2000. Dr. Saito is involved with his profession and his community, serving as the immediate past President of the Hawaii Optometric Association and as a member of the East Honolulu Rotary Club. Dr. Saito has been a member of the Board of Examiners in Optometry since 2011, currently serves as the Vice Chairperson of the Board, and is able to offer invaluable insight to the Board regarding his profession. Your Committee further finds that Dr. Saito's background will continue to enhance the effectiveness of the Board of Examiners in Optometry and recommends that he be reappointed to the Board of Examiners in Optometry based on his professional experience, knowledge, and dedication 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, 1 (Wakai).



**SCRep. 2903     Agriculture on H.B. No. 737**

The purpose and intent of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist agricultural enterprises in the State.

Your Committee received testimony in support of this measure from the Hawaii Cattlemen's Council, Inc.; Alexander & Baldwin, Inc.; Land Use Research Foundation; Local Food Coalition; Kohala Center; and Hawaii Farm Bureau Federation. Your Committee received comments on this measure from the Department of Agriculture, Department of Budget and Finance, and State Procurement Office.

Your Committee finds that it is vital to the State's agricultural economy and food security that farmers be able to make capital investments and improvements to agricultural facilities and infrastructure. This measure provides an important source of private financing to farmers and will stimulate and increase new agricultural investments and capital improvements without affecting the State's budget.

Your Committee has amended this measure to achieve statutory efficiency and clarity by:

- (1) Deleting the contents of this measure that created a new part within chapter 39A, Hawaii Revised Statutes, which authorizes the issuance of special purpose revenue bonds to assist agricultural enterprises; and
- (2) Replacing the contents of this measure with language to amend the existing chapter 39A, part X, Hawaii Revised Statutes, relating to assisting agricultural enterprises serving important agricultural lands, to authorize the issuance of special purpose revenues bonds to assist all agricultural enterprises, rather than only those agricultural enterprises serving important agricultural lands.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 737, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 737, 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 (Dela Cruz, Thielen, Slom).

**SCRep. 2904     (Joint) Agriculture and Human Services on H.B. No. 2430**

The purpose and intent of this measure is to make an appropriation for the senior farmers' market nutrition program.

Your Committees received testimony in support of this measure from the Kokua Council, Hawaii Farmers Union United, Hawaii Farm Bureau Federation, and two individuals.

Your Committees find that the senior farmers' market nutrition program provides low-income seniors with vouchers to exchange for eligible foods at farmers' markets, roadside stands, and community supported agriculture programs. In 2012, this program served more than 6,500 of Hawaii's seniors. By supporting nutritional health, this program keeps Hawaii's seniors healthy and independent, while lowering the demand for medical services.

Your Committees have amended this measure by making technical amendments to update and clarify language in the purpose section.

As affirmed by the records of votes of the members of your Committees on Agriculture and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2430, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2430, 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.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (Wakai, Slom).

Human Services

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2905     (Joint) Agriculture and Economic Development, Government Operations and Housing on H.B. No. 2468**

The purpose and intent of this measure is to authorize the Department of Business, Economic Development, and Tourism, in collaboration with the Department of Agriculture, to:

- (1) Perform planning and feasibility studies for one or more quarantine inspection, quarantine treatment, deconsolidation, and consolidation facilities on the island of Hawaii; and
- (2) Perform a marketing and economic impact analysis for one or more of the facilities.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Business, Economic Development, and Tourism; Hawaii Farm Bureau Federation; Nature Conservancy; Hawaii Floriculture and Nursery Association; and one individual.

Your Committees find that the island of Hawaii is strongly oriented toward diversified agriculture that promotes Hawaii's participation in global trade and commerce. For this reason, one or more facilities is needed on the island of Hawaii for quarantine, quarantine inspection, treatment, deconsolidation, and consolidation of incoming and outgoing agricultural commodities. Such facilities are essential to an effective biosecurity strategy and the efficient movement of goods into and out of the islands.

Your Committees have amended this measure by:

- (1) Inserting the contents of S.B. No. 2020, S.D. 2, Regular Session of 2014, to establish an agricultural foreign-trade zone to assist businesses with warehouse savings, the importing and exporting of resources, manufacturing incentives, and export financing, effective July 1, 2050;
- (2) Inserting the contents of S.B. No. 2397, S.D. 2, Regular Session of 2014, to create, and appropriate funds for, an agricultural technology park under the High Technology Development Corporation, effective July 1, 2050; and
- (3) 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 Agriculture and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2468, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2468, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 6; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (English).

Economic Development, Government Operations and Housing

Ayes, 4; Ayes with Reservations (Thielen). Noes, none. Excused, 3 (Baker, Chun Oakland, English).

**SCRep. 2906 (Joint) Agriculture and Higher Education and Energy and Environment on H.B. No. 1931**

The purpose and intent of this measure is to appropriate funds to the Department of Agriculture and the University of Hawaii to research and develop methods for the prevention and treatment of macadamia felted coccid.

Your Committees received testimony in support of this measure from the Department of Agriculture; College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa; Hamakua Macadamia Nut Company; Big Island Invasive Species Committee; Hawaii Macadamia Nut Association; ILWU Local 142; Island Princess; Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau Federation; Royal Hawaiian Orchards, LP; Edmund C. Olson Trust II; MacFarms of Hawaii, LLC; Royal Hawaiian Services, LP; and ten individuals.

Your Committees find that macadamia nuts are one of the top-grossing crops grown in Hawaii, providing hundreds of local jobs, supporting numerous local businesses, encouraging tourism, and promoting diversified agriculture. The macadamia felted coccid, found in Hawaii in 2005, has the potential to devastate the macadamia nut industry and Hawaii's agricultural economy. The macadamia felted coccid is just as much a threat to the macadamia nut industry as is the coffee berry borer to the coffee industry and must therefore be contained and controlled to sustain Hawaii's precious macadamia nut industry.

Your Committees have amended this measure by:

- (1) Inserting an appropriation amount of \$360,000 for the Department of Agriculture, in cooperation with the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, to research and develop methods for the prevention and treatment of macadamia felted coccid;
- (2) Inserting an appropriation amount of \$735,000 for the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, in cooperation with the Department of Agriculture, to research and develop methods for the prevention and treatment of macadamia felted coccid;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 Agriculture, Higher Education, and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1931, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1931, 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.

Agriculture

Ayes, 6. Noes, none. Excused, 1 (English).

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

Energy and Environment

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 2907 (Joint) Agriculture and Energy and Environment on H.B. No. 1514**

The purpose and intent of this measure is to:

- (1) Appropriate funds for the mitigation of, and education relating to, the coffee berry borer; and
- (2) Establish a pesticide subsidy program until June 30, 2019, for the purchase of pesticides containing *Beauveria bassiana* to combat the coffee berry borer.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa; Soil Culture Consulting; K.T.L. Kona Coffee Farm; Hawaii Coffee Association; Edmund C. Olson Trust II; Royal Kona Coffee Visitor Center, Mill & Museum; Kona Coffee Farmers Association; Kona Coffee Council; MauiGrown Coffee, Inc.; Ynot Austin, Inc.; Hawaii Farm Bureau Federation; Hawaii Farmers Union United; Maui Mountain Coffee Farm; Olinda Organic Farm; Greenwell Farms; and eight individuals. Your Committees received comments on this measure from Aina Ku Hina, Pua Kea Coffee, and one individual.

Your Committees find that the coffee berry borer, a small beetle discovered in Hawaii in 2010, threatens the viability of Hawaii's entire coffee industry. If the State is going to control and contain this invasive pest, ongoing and aggressive pest-control efforts are critical. Treatment costs are a phenomenal financial burden on farmers, and some farmers have already gone out of business due to the high cost of pesticides. By educating and supporting farmers in combatting the coffee berry borer, Hawaii is safeguarding one of the premiere specialty crops that brings money and tourists into the State.

Your Committees have amended this measure by:

- (1) Authorizing the Department of Agriculture to expend up to \$50,000 to hire one temporary program specialist for the pesticide subsidy program; and
- (2) 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 Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1514, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1514, 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.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (English, Kouchi).

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Ihara).

**SCRep. 2908 (Joint) Agriculture and Energy and Environment on H.B. No. 2543**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to BioTork Hawaii LLC (BioTork) for the development and operation of a facility to convert agricultural crops and by-products to biofuels and high-protein feed.

Your Committees received testimony in support of this measure from the Department of Agriculture; Agribusiness Development Corporation; Hawaii Farm Bureau Federation; and BioTork Hawaii, LLC. Your Committees received comments on this measure from the Department of Budget and Finance.

The high cost of energy and livestock feed are significant barriers to food security and sustainability in Hawaii. BioTork's proposal to convert agricultural crops and byproducts such as albizia, sweet potatoes, papaya, and molasses to biofuels and high-protein feed would be a boon to Hawaii's agricultural sustainability and economy.

Your Committees request that BioTork submit to your Committees by April 11, 2014, copies of letters from the Department of Business, Economic Development, and Tourism and the Department of Budget and Finance affirming that these agencies have received and reviewed the applicant's business plan. Your Committees do not require that these letters contain approval for, or render a conclusion regarding, the applicant's business plan.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2543, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2543, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 6; Ayes with Reservations (Thielen, Slom). Noes, none. Excused, 1 (English).

Energy and Environment

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Chun Oakland, Ihara).

**SCRep. 2909 Health on H.B. No. 2304**

The purpose and intent of this measure is to enable the Neurotrauma Advisory Board to function more efficiently and effectively by:

- (1) Decreasing the minimum number of board members from twenty-one to eleven in order to facilitate attaining quorum, while maintaining representation of nearly all existing parties;
- (2) Establishing quorum requirements for the Neurotrauma Advisory Board; and

- (3) Authorizing the Director of Health to appoint up to three state and county representatives whose work relates to neurotrauma to be ex officio nonvoting members of the Neurotrauma Advisory Board.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee finds that the smaller number of members will allow the Neurotrauma Advisory Board to achieve quorum on a regular basis, which will permit the Board to function effectively and better assist the Department of Health. Your Committee further finds that permitting the Director of Health to appoint up to three state and county ex officio nonvoting members to the Neurotrauma Advisory Board will promote partnerships and collaboration toward achieving the Board's initiatives.

Your Committee has amended this measure by:

- (1) Making the measure effective upon approval; and
- (2) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2304, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2304, 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 (Nishihara, Slom).

**SCRep. 2910 Health on H.B. No. 2277**

The purpose and intent of this measure is to support health care transformation by:

- (1) Changing the name of the State Health Planning and Development Agency to the Hawaii Health Care Planning and Policy Authority;
- (2) Establishing an Office of Health Care Transformation to be headed by a Health Care Transformation Officer within the Hawaii Health Care Planning and Policy Authority;
- (3) Establishing the health care transformation special fund;
- (4) Extending the health care transformation program, which is temporarily placed within the Office of the Governor, to June 30, 2017;
- (5) Requiring the Governor to submit progress reports on the health care transformation program to the Legislature no later than twenty days prior to the convening of the 2015 and 2016 Regular Sessions, and extending the Governor's submission of the final report to the Legislature on the health care transformation program to twenty days prior to the convening of the 2017 Regular Session;
- (6) Transferring the powers, duties, personnel, records, property, appropriations, funds, and other items specified in this measure of the health care transformation program temporarily placed in the Office of the Governor, to the Hawaii Health Care Planning and Policy Authority on July 1, 2017; and
- (7) Making an appropriation to carry out the functions, operations, and purposes of the health care transformation program.

Your Committee received testimony in support of this measure from the Office of the Governor; Department of Health; Office of Hawaiian Affairs; School of Nursing and Dental Hygiene, University of Hawaii at Manoa; Hawaii Health Systems Corporation; East Hawaii Region; Kaiser Permanente; Hawaii Medical Service Association; Hawaii Pacific Health; Hawaii Primary Care Association; Hawaii Association of Health Plans; Hawaii Health Information Exchange; Ho'ola Lahui Hawaii; and two individuals. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that a long-term plan for health care transformation in Hawaii is necessary to address issues related to quality of care, access to care, and use of health information technology to improve care. Your Committee further finds that given the complexity and evolving nature of health care, it is appropriate to update the state agency tasked with health care transformation and add a new position of Healthcare Transformation Coordinator. This measure establishes the necessary framework and authority to accomplish the objectives of health care transformation in Hawaii.

Your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$752,870;
- (2) Inserting an effective date of July 1, 2014; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee encourages the Hawaii Health Care Planning and Policy Authority and Healthcare Transformation Coordinator to collaborate with members of the Hawaii Health Authority, who have considerable expertise.

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. 2277, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2277, 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, 2 (Nishihara, Slom).

**SCRep. 2911 Health on H.B. No. 2262**

The purpose and intent of this measure is to authorize the Department of Health to disclose lists of names of persons whose deaths have been recorded by the Department to state agencies that maintain official lists of persons and are prohibited by federal law from sharing information from the lists.

Your Committee received testimony in support of this measure from the Department of Health; Department of Budget and Finance; Department of Human Services; and Hawaii Employer-Union Health Benefits Trust Fund, Department of Budget and Finance.

Your Committee finds that allowing the Department of Health to report deaths to state agencies that maintain official lists that are confidential under federal law would assist state agencies to maintain accurate lists. Your Committee further finds that accurate death validation is necessary to ensure that enrollee and dependent beneficiary data reflect updated and timely information in order to prevent the overpayment of benefits. This measure will benefit state agencies in their death validation process and data cleansing efforts.

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. 2262, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2912 Human Services on H.B. No. 2059**

The purpose and intent of this measure is to restore the allocation of conveyance tax collections to the rental housing trust fund to fifty percent.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Catholic Charities Hawaii, Community Alliance for Mental Health, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Association of REALTORS, Hawaii Catholic Conference, Kauai Community Alliance, Partners in Care, PHOCUSED, and one individual. Your Committee received testimony in opposition to this measure from the Building Industry Association of Hawaii. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Land and Natural Resources, Tax Foundation of Hawaii, and Chamber of Commerce Hawaii.

Your Committee finds that the rental housing trust fund is an essential funding source for the development of critically needed affordable rental housing in the State. Testimony on this measure indicates that restoring the allocation of conveyance tax collections to the rental housing trust fund to fifty percent would yield an additional \$10,800,000 per year. In light of Hawaii's steep cost of living, increased rent rates, and increased homelessness rates, your Committee finds that it is necessary to increase the amount of funds available to be leveraged to build more affordable housing.

Your Committee has amended this measure by inserting appropriation amounts of \$1.

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. 2059, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2059, 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 (Kidani, Slom).

**SCRep. 2913 Human Services on H.B. No. 1893**

The purpose and intent of this measure is to support the American Red Cross by establishing the American Red Cross Hawaii State Chapter special fund and authorizing income tax return designations to the American Red Cross, Hawaii State Chapter.

Your Committee received testimony in support of this measure from the Hawaii State Civil Defense and American Red Cross, Hawaii State Chapter. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that the American Red Cross, Hawaii State Chapter, responds to a disaster on average every four days and performs a public service for the people of Hawaii by providing disaster response and emergency preparedness services. The American Red Cross recruits, trains, and coordinates volunteers to be on call to provide immediate relief to disaster victims. Your Committee further finds that this measure provides funding to the American Red Cross, Hawaii State Chapter, so that it can better provide in-state disaster response services and help mitigate the loss of life and property when disasters occur. Your Committee received testimony expressing concern that establishing an income tax check-off box for a non-government entity will open the door to many other private entities requesting the same.

Your Committee has amended this measure by:

- (1) Replacing the American Red Cross Hawaii State Chapter special fund with the disaster response special fund, from which funds will be transferred annually to organizations that respond to disasters and train volunteers to provide shelter and other mass care activities during major disasters;
- (2) Inserting an effective date of January 1, 2015; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1893, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1893, 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, 2 (Chun Oakland, Slom).

**SCRep. 2914 Human Services on H.B. No. 1539**

The purpose and intent of this measure is to allow only original household members to retain a federal housing voucher under the Hawaii Public Housing Authority's housing choice voucher program in order to provide more opportunities for people on the waiting list to receive housing choice vouchers.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, Community Alliance for Mental Health, Homeless and Affordable Housing Institute, and one individual.

Your Committee finds that the housing choice voucher program currently allows individuals who receive a housing voucher to keep the voucher or pass it along to family members or friends even when the original household members no longer live in the household. This measure requires original household members to return their voucher when all original members no longer live in the household in order to prevent family members and friends from inheriting housing vouchers and thereby circumventing the waiting list. However, this measure allows minors who were added to the household and who survive the original household member to retain the voucher until the last minor reaches the age of twenty-one. This measure also includes a provision regarding the eligibility status of legal guardians of minor household members.

Your Committee has amended this measure by making a technical, nonsubstantive amendment 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. 1539, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1539, 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, 2 (Kidani, Slom).

**SCRep. 2915 Human Services on H.B. No. 1576**

The purpose and intent of this measure is to address the insufficient monthly amount paid to foster care providers by increasing the monthly board rate for foster care services for children.

Your Committee received testimony in support of this measure from the Department of Human Services, Catholic Charities Hawaii, Family Programs Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Youth Services Network, and ten individuals.

Your Committee finds that the current monthly board rate for children in foster care is \$529 and that this amount is insufficient to cover the costs of care, food, housing, and other necessities for foster children. Your Committee further finds that the monthly board rate has not been increased since 1990, which has made it difficult for the State to recruit and retain foster families. Increasing the stipend for foster care will help meet the basic needs of foster children, increase the stability of foster children, and improve the matching of foster children with families of similar culture and values.

Your Committee has amended this measure by:

- (1) Removing references to group homes and child caring institutions; and
- (2) Inserting an effective date of July 1, 2014.

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. 1576, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1576, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 2916 (Joint) Human Services and Education on H.B. No. 1756**

The purpose and intent of this measure is to establish a standardized framework for operations and provide funding for after-school programs in public middle and intermediate schools by:

- (1) Establishing the Resources for Enrichment, Athletics, Culture, and Health (R.E.A.C.H.) program within the Office of Youth Services;
- (2) Establishing a revolving fund to support the R.E.A.C.H. program; and
- (3) Appropriating funds for establishment of the program and one full-time equivalent position to support the program.

Your Committees received testimony in support of this measure from the Office of the Lieutenant Governor, Department of Education, Board of Education, Office of Hawaiian Affairs, Office of Youth Services, REACH Out Hawaii, After-School All-Stars Hawaii, Hawaii Youth Services Network, Hui for Excellence in Education, Oceanic Time Warner Cable, Maui Economic Development Board, Molokai Middle School, Waiakea Intermediate School, Washington Middle School, and eight individuals. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that providing quality after-school programming for middle school students serves to improve the lives of Hawaii's at-risk youth, reduce juvenile crime, and save taxpayers some of the significant cost that disconnected youth create for the State. Your Committees further find that middle school years are a pivotal time for children and that quality after-school programs

have been shown to set students on the right path for future education and life success. Keeping children engaged in positive after-school activities will improve school attendance, increase graduation rates, and keep children on the path toward productive futures.

Your Committees have amended this measure by:

- (1) Amending the language to establish a R.E.A.C.H. program special fund instead of a revolving fund;
- (2) Inserting language to specify uses for which the special fund monies may be expended; and
- (3) 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 Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1756, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1756, 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.

Human Services

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

Education

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

**SCRep. 2917 Human Services on H.B. No. 1889**

The purpose and intent of this measure is to establish a homeless person's bill of rights to guarantee that the rights, privacy, and property of homeless persons are protected.

Your Committee received testimony in support of this measure from the Pacific Alliance to Stop Slavery, IMUAlliance, Hawaii Guerrilla Video Hui, Ho'opae Pono Peace Project, and sixteen individuals. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Hawaii Civil Rights Commission and one individual.

Your Committee finds that certain local ordinances have recently served to criminalize and dehumanize the State's homeless population. Your Committee finds that it is important to recognize that the protection of the law extends equally to all, even individuals who are without a home and may not be able to advocate for their own basic civil rights.

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. 1889, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2918 Human Services on H.B. No. 2448**

The purpose and intent of this measure is to allow the Hawaii Housing Finance and Development Corporation to issue bonds to finance infrastructure development on land owned by an eligible developer whose housing project approval by the State or county requires the construction of affordable housing.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Chamber of Commerce Hawaii; and The Pacific Resource Partnership.

Your Committee finds that the lack of available land with infrastructure is a significant barrier to the State's critical need for affordable housing. Your Committee further finds that it is important and valuable to finance the infrastructure improvements necessary for affordable housing developments and that this measure provides one mechanism for financing these improvements.

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. 2448, 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; Ayes with Reservations (Green). Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2919 Human Services on H.B. No. 2298**

The purpose and intent of this measure is to provide a child-friendly process of hearing notification to children in child protection cases to avoid children being served the summons by a law enforcement officer and to provide the child with adequate notice of a hearing.

Your Committee received testimony in support of this measure from the Department of the Attorney General and Department of Human Services.

Your Committee finds that existing state law requires that children in child protection cases be served with the petition and summons by a law enforcement officer. Your Committee further finds that it is less intimidating and more therapeutic for children to receive notice of the petition, the date and time of the initial hearing, and the child's right to participate in the hearing through notification by the petitioner, which is the Department of Human 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 H.B. No. 2298, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 2920 Human Services on H.B. No. 2251**

The purpose and intent of this measure is to increase the revenue bond authorization of the hula mae multifamily bond program to \$1,000,000,000 to ensure the development and preservation of affordable rental housing.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Building Industry Association of Hawaii; Hawaii Association of REALTORS; and Land Use Research Foundation of Hawaii.

Your Committee finds that the housing and loan mortgage program, commonly known as the hula mae multifamily revenue bond program, has been an effective financing tool in the development and preservation of affordable rental housing. Since its inception, \$418,244,699 in bonds have been issued to assist in financing over three thousand affordable units in the State. In 2013, the total dollar value of requests for hula mae multifamily financing exceeded the remaining available bond authority for the hula mae program.

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. 2251, 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, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2921 (Majority) Commerce and Consumer Protection on H.B. No. 2581**

The purpose and intent of this measure is to:

- (1) Establish the State Innovation Waiver Task Force to develop a plan for applying for a state innovation waiver under the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act);
- (2) Require the State Innovation Waiver Task Force to submit an interim report to the Legislature prior to the convening of the Regular Session of 2015 and a final report prior to the convening of the Regular Session of 2016; and
- (3) Appropriate funds for the operations of the State Innovation Waiver Task Force.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Commerce and Consumer Affairs, Hawaii Medical Association, Chamber of Commerce Hawaii, Kaiser Permanente Hawaii, Hawaii Medical Service Association, and League of Women Voters of Hawaii.

Your Committee finds that the Affordable Care Act encourages states to develop innovative approaches to insuring their populations by authorizing states to apply for waivers from certain requirements of the Affordable Care Act. Your Committee further finds that Hawaii has long been at the forefront of the nation in health care and health insurance and a waiver may be in the best interests of the public. This measure convenes the State Innovation Waiver Task Force to consider strategies that will result in a universal health insurance coverage system that meets consumer and provider needs, adds value and convenience to employers, and is economically sustainable.

Your Committee additionally finds that for the State Innovation Waiver Task Force to successfully represent the interests of all persons and entities affected by the Affordable Care Act, a wide range of interested stakeholders must be included on the Task Force, such as representatives from small and large businesses, as these employers face different requirements under the Affordable Care Act, persons with expertise in health care delivery, and persons with expertise in health insurance.

Your Committee also notes that because the operations of the State Innovation Waiver Task Force will be a multi-year endeavor, it is appropriate to require a second interim report to be submitted to the Legislature prior to the convening of the Regular Session of 2016 and a final report to be submitted to the Legislature prior to the convening of the Regular Session of 2017.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying the membership on the task force, including adding a representative from the Healthcare Association of Hawaii and clarifying the necessary attributes for the members to be designated by the President of the Senate and the Speaker of the House of Representatives;
- (2) Requiring the State Innovation Waiver Task Force to submit two interim reports to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2015 and 2016 and a final report no later than twenty days prior to the convening of the Regular Session of 2017; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2581, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2581, 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, 3. Noes, 1 (Slom). Excused, 1 (Wakai).



**SCRep. 2922 Commerce and Consumer Protection on H.B. No. 2269**

The purpose and intent of this measure is to require all managed care plans to provide health insurance premium information to the Insurance Commissioner upon request and require the Insurance Commissioner to publish the representative annual premiums of all health insurance plans.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Kaiser Permanente Hawaii, Hawaii Medical Service Association, and Hawai'i Primary Care Association.

Your Committee finds that the Insurance Commissioner is able to collect and create motor vehicle and home insurance premium comparison sheets that enable the public to shop for and compare these policies. This measure establishes similar requirements for the submission of health insurance premium information to the Insurance Commissioner and requires the Insurance Commissioner to publish representative premium information of all health insurance plans annually and electronically, such as through a premium comparison sheet for health insurance premiums.

Your Committee further finds that the federal Patient Protection and Affordable Care Act of 2010 mandates individuals to acquire health care coverage or face a penalty. The State's Prepaid Health Care Act also requires many employers to provide prepaid health care plans to certain types of employees. This measure affords individuals and small businesses the opportunity to review and compare health premiums from all health insurers, thereby helping Hawaii consumers make informed decisions when purchasing required health insurance.

Your Committee has amended this measure by inserting an effective date of July 1, 2014.

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. 2269, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2269, 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, 2 (Taniguchi, Wakai).

**SCRep. 2923 Commerce and Consumer Protection on H.B. No. 1882**

The purpose and intent of this measure is to adopt the national standard of a minimum of twenty-four months in an accredited podiatric residency prior to licensure as a podiatrist.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, Hawaii Podiatric Medical Association, American Podiatric Medical Association, and eight individuals. Your Committee received comments on this measure from the Hawaii Medical Board.

Your Committee finds that in the past, podiatry residencies varied from one to three years in length. In 2011, the Council on Podiatric Medical Education formally increased the national residency standard for podiatrists to a thirty-six month residency program to provide uniform and consistent training amongst all graduating podiatric surgeons. The twenty-four month residency requirement in this measure will cover podiatrists who completed a shorter podiatry residency prior to the uniform adoption of the thirty-six month residency requirement. This measure also provides specific requirements for an applicant for a license to practice podiatric medicine in Hawaii who graduated from an approved college before January 1, 2004.

Your Committee notes that this measure is not intended to affect podiatrists currently licensed and practicing podiatric medicine in Hawaii. An amendment is therefore needed to specify that this measure is intended to clarify the licensure requirements for out-of-state podiatrists seeking initial licensure in Hawaii.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the residency and experience requirements for applicants for a license to practice podiatric medicine in Hawaii who graduated from an approved college before January 1, 2004, shall not apply to podiatrists with current, active licenses to practice podiatric medicine in Hawaii;
- (2) Inserting an effective date of January 1, 2015; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

Your Committee notes that this amended measure is intended to clarify licensure requirements for out-of-state podiatrists seeking initial licensure in Hawaii. This amended measure will not affect podiatrists currently licensed and practicing podiatric medicine in 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 H.B. No. 1882, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1882, 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, 1 (Wakai).

**SCRep. 2924 Commerce and Consumer Protection on H.B. No. 1830**

The purpose and intent of this measure is to:

- (1) Require arbitration awards, records of awards, and related supporting materials under chapter 466K, Hawaii Revised Statutes, to be public records;
- (2) Require licensed or certified real estate appraisers who are named or appointed in a submission agreement to appraise or arbitrate entered into after July 1, 2014, to record with the Bureau of Conveyances all arbitration awards; records of awards, if separately issued; and any supplementary, dissenting, or explanatory opinions on awards within ninety days of the notification of the determination of the award to the parties;
- (3) Specify that no agreement between the parties or the appraisers acting as arbitrators may preclude or deny the requirement to record an award, the record of the award, or any supplementary, dissenting, or explanatory opinions; and
- (4) Clarify that failure to comply is a violation of real estate appraiser license or certification requirements.

Your Committee received testimony in support of this measure from Citizens for Fair Valuation; Central Park Community Association; Bacon-Universal Company, Inc.; Japanese Chamber of Commerce and Industry of Hawaii; Chika Nakano Repair Shop, Inc.; Sand Island Business Association; McCully Works, Inc.; David S. De Luz, Sr. Enterprises, Inc.; Kapolei Medical Park Venture; Waiakamilo Shopping Center; Waiālae Plaza; and one individual. Your Committee received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii.

Your Committee finds that Act 227, Session Laws of Hawaii 2011 (Act 227), was intended to bring data, openness, and transparency to a market controlled by few landlords and very few commercial and industrial appraisers. Unfortunately, since the enactment of Act 227, many appraisers acting as arbitrators have required confidentiality clauses to be added to submission agreements, which govern arbitration between the parties. These confidentiality clauses frustrate the legislative intent of Act 227. Your Committee further finds that the development of an open market valuation process requires that these arbitration awards, records of awards, and related supporting materials must be public records.

Your Committee additionally finds that this measure does not change existing lease agreements and therefore is not in violation of the Contracts Clause of the United States Constitution. Rather, this measure requires appraisers acting as arbitrators to file arbitration reports with the Bureau of Conveyances, thereby allowing public access to data that has previously been kept solely in the hands of those who control the land.

Your Committee also finds that Act 227 requires appraisers in arbitration proceedings to certify compliance with the most current Uniform Standards of Professional Appraisal Practice (USPAP). Your Committee notes that USPAP has an exception to its confidentiality rule, which provides that an appraiser must not disclose confidential information to anyone other than “third parties as may be authorized by due process of law.” Act 227’s requirement for appraisers acting as arbitrators to report the basis of an award would therefore fall under this exception permitted by USPAP.

Your Committee has amended this measure by:

- (1) Amending the purpose section for clarity;
- (2) Inserting an effective date of upon approval; and
- (3) Making a technical, nonsubstantive amendment 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 H.B. No. 1830, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1830, 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, 3. Noes, none. Excused, 2 (Taniguchi, Wakai).

#### **SCRep. 2925 Commerce and Consumer Protection on H.B. No. 2045**

The purpose and intent of this measure is to provide a remedy for community associations to recover unpaid assessments for a share of common expenses up to the time of a grant or conveyance of property.

Your Committee received testimony in support of this measure from the Community Associations Institute Hawaii Chapter.

Your Committee finds that escrow companies and other interested parties are usually aware of a lien in favor of a condominium association. However, it is common for escrow companies and other interested parties to handle the sale of a non-condominium, planned community association unit and overlook the collection of the association’s unpaid assessments for the unit. Transfers of units outside of escrow, such as transfers to individual trusts, companies controlled by owners, or family members, may also result in uncured assessment debt owed to community associations. Your Committee further finds that this measure addresses these concerns by providing a remedy for community associations to recover unpaid assessments for a share of common expenses up to the time of a grant or conveyance of property. This measure also clarifies the responsibilities of a planned community association, unit owners, the buyer, and escrow officers in a voluntary conveyance and protects the interests of the planned community association and the purchasers of a unit governed by a planned community association.

Your Committee has heard the concerns about the use of the term “lot” in this measure. Your Committee notes that although “lot” is not defined under chapter 421J, Hawaii Revised Statutes, section 421J-2, Hawaii Revised Statutes, defines “unit” to mean a physical portion of the planned community designated for separate ownership or occupancy. Your Committee concludes that the definition of “unit” is sufficient to refer to an individually owned property, whether developed or undeveloped, that is part of a planned community association and finds that references to the undefined term “lot” are unnecessary and should be deleted to avoid ambiguity.

Accordingly, your Committee has amended this measure by:

- (1) Removing references to the term “lot”;
- (2) Inserting an effective date of upon approval; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2045, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2045, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Wakai).

**SCRep. 2926 Commerce and Consumer Protection on H.B. No. 2019**

The purpose and intent of this measure is to:

- (1) Allow prospective purchasers of time share interests to receive printed or electronic copies of the time share plan disclosure statement; and
- (2) Amend developer registration renewal requirements by:
  - (A) Permitting the developer to disclose either the total number of registered time share interests in each unit or the total number of points registered for sale;
  - (B) Eliminating the requirement that developers provide title insurance and title reports; and
  - (C) Eliminating the requirement that developers file a financial statement.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Wyndham Vacation Ownership, Starwood Vacation Ownership, and American Resort Development Association Hawaii.

Your Committee finds that many consumers and buyers prefer an option to receive important documents electronically. This measure modernizes Hawaii’s time share statute and enables buyers to choose whether to receive the time share disclosure statement on paper or in digital form. Your Committee further finds that this measure updates and streamlines the biennial renewal requirements for developers, thereby reducing costs and burdens for the time share industry and the Department of Commerce and Consumer Affairs. Your Committee additionally finds that this measure removes the requirement that a developer submit a financial statement with a renewal application, thus making this portion of the developer renewal process consistent with the Professional and Vocational Licensing Division’s other licensing areas.

Your Committee has amended this measure by:

- (1) Clarifying that developers must include either the total number of time share interests registered for sale in each unit or the total number of points registered for sale in each property in an application for renewal of a developer registration;
- (2) Amending the purpose section for clarity; and
- (3) Inserting an effective date of upon 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 H.B. No. 2019, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2019, 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, 3. Noes, none. Excused, 2 (Taniguchi, Wakai).

**SCRep. 2927 (Joint) Human Services and Agriculture on H.B. No. 2560**

The purpose and intent of this measure is to permit the continued operation of family child care homes in agriculturally designated districts if located in a farm dwelling constructed prior to July 1, 2014.

Your Committees received testimony in support of this measure from the County of Maui; County Council, County of Maui; Good Beginnings Alliance; People Attentive to Children; PHOCUSED; Robin’s Child Care; and twenty-two individuals. Your Committees received testimony in opposition to this measure from Hawaii’s Thousand Friends and sixteen individuals. Your Committees received comments on this measure from the Department of Agriculture and Office of Planning.

Your Committees find that family child care homes in agriculturally designated districts are often the only form of available and affordable child care in these districts. Licensed day care is scarce in rural areas around the State despite the State’s efforts to promote farming and sustainability.

Your Committees heard testimony emphasizing that family child care homes are not large day care centers because family child care homes have a legal limit of six children and must be operated in a single family dwelling. In addition, testimony on this measure indicates that many family child care homes already exist on agricultural land but current statute prevents the homes from becoming properly licensed. Your Committees find that Hawaii’s children deserve to be cared for by licensed, quality child care providers. Your Committees further find that obtaining a special use permit to operate a family child care home on agricultural land is cost-prohibitive.

Your Committees also received testimony expressing concern about allowing non-agricultural activities on agricultural land and the possibility that allowing more non-agricultural uses will cause farmers to disinvest in their farm operations in anticipation of development. Your Committees find that these issues merit further consideration but also recognize the critical need for quality child care in rural areas of Hawaii to support Hawaii's farming families.

Your Committees have amended this measure by:

- (1) Removing language that limited the permitted use of farm dwellings on agriculturally designated districts for family child care homes to only those farm dwellings constructed prior to July 1, 2014;
- (2) Inserting language to amend the definition of "family child care home" to permit care of one to six unrelated children instead of only three to six unrelated children;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2560, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2560, H.D. 2, S.D. 1, and be referred to the Committee on Public Safety, Intergovernmental and Military Affairs.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3; Ayes with Reservations (Taniguchi). Noes, none. Excused, 2 (Kidani, Slom).

Agriculture

Ayes, 5; Ayes with Reservations (Dela Cruz, English, Kouchi, Thielen). Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 2928 (Joint) Agriculture and Energy and Environment on H.B. No. 1932**

The purpose and intent of this measure is to appropriate funds to the Department of Agriculture's biosecurity program.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Department of Transportation, Nature Conservancy, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and Democratic Party of Hawaii. Your Committees received comments on this measure from Able Freight.

Your Committees find that one of the greatest threats to Hawaii's economy, environment, and health is the spread of invasive species. Unfortunately, Hawaii is already experiencing the devastating effects caused by invasive species such as the little fire ant, coffee berry borer, and macadamia felted coccid. In order for the State to combat invasive species, it must make the Department of Agriculture's biosecurity program a priority and ensure that it is sufficiently funded.

Your Committees have amended this measure by:

- (1) Inserting language to authorize the Department of Agriculture to establish or participate in private-public partnerships to enhance the biosecurity program and quarantine inspection process with on-port and off-port facilities, including inspection and treatment facilities, transitional facilities, and consolidation and deconsolidation facilities;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) 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 Agriculture and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1932, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1932, 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.

Agriculture

Ayes, 6. Noes, none. Excused, 1 (English).

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Ihara).

**SCRep. 2929 Public Safety, Intergovernmental and Military Affairs on H.B. No. 2347**

The purpose and intent of this measure is to:

- (1) Clarify that all Department of Taxation criminal investigators, including those who are subject to civil service laws, have police powers; and
- (2) Provide that the civil service exemption for criminal investigators is discretionary, rather than mandatory.

Your Committee received testimony in support of this measure from the Department of Taxation and the Hawaii Government Employees Association. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that section 231-4.3, Hawaii Revised Statutes, grants police powers to only civil service exempt criminal investigators. However, the Department of Taxation's criminal investigation unit supervisor is a civil service employee. This measure clarifies that all of the Department's criminal investigators, including those who are civil service employees, have police powers.

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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2347, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2347, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Green, Slom). Noes, none. Excused, 1 (Galuteria).

**SCRep. 2930 Public Safety, Intergovernmental and Military Affairs on H.B. No. 2363**

The purpose and intent of this measure is to:

- (1) Require the Department of Public Safety to establish a two-year reentry pilot project with no more than one hundred offenders who are nonviolent, low-risk drug offenders and eligible for early release or parole;
- (2) Require the service providers to collect data from the pilot project and submit a status report to the Department of Public Safety every six months for evaluation of the project's effectiveness; and
- (3) Make an appropriation to support and establish the reentry pilot project.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Community Alliance on Prisons, Hawaii Substance Abuse Coalition, Kokua Council, Witt Counseling Service, The CHOW Project, Drug Policy Action Group, American Civil Liberties Union of Hawaii, and twenty-four individuals. Your Committee received comments on this measure from the Department of Public Safety and two individuals.

Your Committee finds that nonviolent, low-risk drug offenders can be effectively and safely transitioned from jail or prison back into the community through a system of community-based treatment programs. A comprehensive and coordinated range of evidence-based treatment services facilitates positive outcomes when working with nonviolent, low-risk drug offenders. The reentry pilot project will establish an alternative to incarceration by diverting nonviolent, low-risk drug offenders who are eligible for early release or parole, from incarceration into a coordinated system of community-based treatment programs, resulting in long-term savings, a reduction in the prison population, and reduction in recidivism among nonviolent drug offenders.

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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2363, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2363, 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 (Galuteria).

**SCRep. 2931 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1024**

The purpose and intent of this measure is to encourage ocean and beach safety by extending the law providing county lifeguards with protections from liability.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Department of the Attorney General; State Fire Council; Honolulu Fire Department; Hawaii Council of Mayors; Kauai Fire Department; Hawaii Association for Justice; Hawaiian Lifeguard Association; Honolulu Emergency Services Department, Ocean Safety Division; Department of the Corporation Council of the City and County of Honolulu; Injury Prevention Advisory Committee; Hawaii Lodging and Tourism Association; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and fifteen individuals.

Your Committee finds that county lifeguards are essential to ocean and beach safety in providing protections to residents and visitors in their enjoyment of state and county beaches. Limited liability protection is necessary because some counties are unable to provide lifeguard services due to the fear of potential liability that might arise. As a result of the limited liability protection, many lives have been saved by county lifeguards. Under existing law, the limited liability protections for lifeguards, the counties, and the State against civil damages arising out of acts or omissions of lifeguards while performing lifeguard services will repeal on June 30, 2014. As a result, counties may have to discontinue lifeguarding services due to the increased liability risk and financial burden. This life-saving measure promotes and increases public safety by extending liability protections to lifeguards, the counties, and the State.

Your Committee notes that this measure, as originally introduced during the Regular Session of 2014, provides permanent liability protections to lifeguards, counties, and the State with regard to lifeguard services. The language in H.B. No. 1024, is preferable, as it permanently allows lifeguard services to be provided without fear of liability and will increase public safety for residents and visitors.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of H.B. No. 1024, which permanently provides liability protections to lifeguards, counties, and the State against civil damages arising out of acts or omissions of lifeguards and does not include the county annual reporting requirement, but retaining the effective date of June 29, 2014.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1024, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1024, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 2932 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1570**

The purpose and intent of this measure is to:

- (1) Provide protection to family or household abuse victims by specifying that the period of separation that a police officer can order under suspicion of physical abuse or harm is two business days from the day the order is issued; and
- (2) Define "business day" as any calendar day, except Saturday, Sunday, or a state holiday.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; Department of the Prosecuting Attorney of the County of Maui; Department of the Prosecuting Attorney of the County of Kauai; Office of the Prosecuting Attorney of the County of Hawaii; Honolulu Police Department; Maui Police Department; and two individuals.

Your Committee finds that the intent of the forty-eight hour period of separation in cases of actual or probable family or household abuse is to keep the abuser or potential abuser away from the victim and give the victim time to get a restraining order and find a safe shelter. However, under existing law when the abuse occurs at certain times or on certain days, the victim does not receive the benefit of the forty-eight hour separation period or does not have sufficient time to obtain a restraining order or shelter because government agencies and many private organizations are closed on weekends and holidays. This measure will give abuse victims additional time to get help and legal protection by extending the period of separation that a law enforcement officer shall order under specified circumstances.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1570, H.D. 1 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 2933 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1664**

The purpose and intent of this measure is to:

- (1) Add definitions for "permanent fireworks storage building or structure" and "temporary fireworks storage building or structure"; and
- (2) Require permanent and temporary fireworks storage buildings or structures and redistribution facilities to comply with applicable county building or fire codes or nationally recognized standards.

Your Committee received testimony in support of this measure from the State Fire Council and Honolulu Fire Department. Your Committee received testimony in opposition to this measure from THY & Associates.

Your Committee finds that the potential danger or damage from the use, transportation, and storage of fireworks is so great that those activities need to be more closely monitored. This measure will promote the safety of the general public and the first responder community by restricting the storage and redistribution of fireworks to permanent and temporary fireworks storage facilities that comply with applicable county codes or nationally recognized standards.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1664, H.D. 1 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 (Galuteria).

**SCRep. 2934 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1858**

The purpose and intent of this measure is to protect liquor commission investigators engaged in the performance of their duties by establishing knowingly or intentionally causing bodily injury to liquor commission investigators while performing their job duties as assault in the second degree.

Your Committee received testimony in support of this measure from the Liquor Commission, City and County of Honolulu; Department of Liquor Control, County of Kauai; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; and two individuals.

Your Committee finds that similar to other public safety individuals, liquor commission investigators often work in environments where there is a risk of assault. As liquor commission investigators frequently work alone in alcohol-fueled environments, your Committee finds it necessary to include liquor commission investigators who are performing their job duties in the class of public safety persons protected under the offense of assault in the second degree.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1858 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 2935 Public Safety, Intergovernmental and Military Affairs on H.B. No. 2139**

The purpose and intent of this measure is to allow an unlimited number of members of a county council to jointly attend informational meetings or presentations without violating the Sunshine Law, under certain conditions.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from the Office of Information Practices, Common Cause Hawaii, League of Women Voters, and four individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that as elected officials, it is the job of county council members to find out how people in the community feel about policy issues and to become educated on those issues. However, under section 92-2.5(e), Hawaii Revised Statutes, if at least a number that constitutes a quorum of county council members attends any meetings or presentations open to the public, those members in attendance may be in violation of the Sunshine Law. This measure will increase communication between county council members and their constituents, while providing public protection against inadequate notice of discussions by county council members in which or by which people may be interested or affected.

Your Committee notes that the companion to this measure, S.B. No. 2962, S.D. 1, Regular Session of 2014 which previously passed Second Reading in the Senate, contains language creating a limited meeting where any number of county council members may attend a community group's meeting to discuss council business, provided that certain requirements are met.

Your Committee additionally finds that the language in S.B. No. 2962, S.D. 1, is preferable because it allows any number of county council members to hold limited meetings, yet still provides protection for the public.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 2962, S.D. 1, a substantively similar measure, which:

- (1) Describes the legislature's findings and the purpose of the measure in accordance with the amendments;
- (2) Allows any number of county council members to attend and hold a limited public meeting to discuss council business, as the guest of a board or community group holding its own meeting, through June 30, 2018;
- (3) Requires notice of the limited meeting to meet the requirements of section 92-7, Hawaii Revised Statutes;
- (4) Requires a board or community group that is subject to part I, chapter 92, Hawaii Revised Statutes, and holding a meeting that a county council is attending, to meet the requirements of part I, chapter 92, Hawaii Revised Statutes;
- (5) Restricts such limited meetings of a county council to no more than one per month for any one board or community group;
- (6) Requires all limited meetings to be held in the State;
- (7) Prohibits limited meetings from being held to circumvent part I, chapter 92, Hawaii Revised Statutes; and
- (8) Repeals on June 30, 2018.

Your Committee further amended this measure to provide that notice of a limited meeting may include an agenda.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2139, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2139, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Galuteria).

**SCRep. 2936 Hawaiian Affairs on Gov. Msg. Nos. 519, 520, and 527**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUAI AND NIIHAU

G.M. No. 519 JANET BRADFORD, for a term to expire 6-30-2015;

G.M. No. 520 WAYNE HARADA, for a term to expire 6-30-2018; and

G.M. No. 527 LEIANA ROBINSON, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Janet Bradford, Wayne Harada, and Leiana Robinson to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council, Islands of Kauai and Ni'ihau.

JANET BRADFORD

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Kauai Chamber of Commerce, and one individual.

Ms. Bradford has a Bachelor's degree in Social Sciences and Humanities from the University of Hawaii at West Oahu. She earned a Master's degree in Pacific Islands Studies from the University of Hawaii at Manoa. She currently works for the Office of Economic Development for the County of Kauai as an Administrator and as a Kahu and Cultural Practitioner with Kualu/Haupu Family Traditions. She worked previously as an Employment/Counselor Specialist and a Coordinator for the Summer Youth Employment Program for the Department of Labor and Industrial Relations and is an active member of numerous organizations in her community, including the Kauai Native Hawaiian Chamber of Commerce and the Kauai Aha Hui Kaahumanu Society. Ms. Bradford brings with

her fifty years of experience in the daily practice of Hawaiian values, beliefs, and traditions and will be an asset to the Island Burial Council, Islands of Kauai and Ni'ihau.

WAYNE HARADA

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources; Office of Hawaiian Affairs; Island Burial Council, Islands of Kauai and Ni'ihau; Island Burial Council, Island of Oahu; Hanalei Hawaiian Civic Club; Na Lei Na'auao; Limahuli Garden and Preserve; and eight individuals.

Mr. Harada studied Hawaiian Studies and Hawaiian Botany at Kauai Community College and earned his teacher certification from Halau Wanana. He is currently the Hawaiian Studies Specialist at Kanuikapono Public Charter School. He is also a Cultural Advisor and board member of the Pualani Foundation and a Cultural Instructor and Cultural Advisor for Na Pua No'eau, a program for gifted and talented Native Hawaiian children. He previously taught Hawaiian Studies at Kanuikapono Learning Center and served as the Educational Coordinator for Hanalei Watershed Hui. As an active member of his community, he provides cultural classes to the Hanalei Hawaii Civic Club and Na Pua No'eau. He also provides after-school cultural enrichment classes for at-risk Native Hawaiian students in traditional Hawaiian fishing and farming, and he is a cultural practitioner of hula. Mr. Harada's longstanding and firm commitment to the perpetuation of Native Hawaiian cultural traditions and practices will serve the Island Burial Council, Islands of Kauai and Ni'ihau, well.

LEIANA ROBINSON

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources; Office of Hawaiian Affairs; Aha Moku Advisory Committee; Island Burial Council, Islands of Kauai and Ni'ihau; Pai 'Aina Communications; and two individuals.

Ms. Robinson was born on Ni'ihau and speaks the Hawaiian language, giving her a deep and unique understanding of and appreciation for her kupuna and traditional protocols regarding the treatment of kupuna iwi. Ms. Robinson has previously served on the Island Burial Council, Islands of Kauai and Ni'ihau, and her dedication to her community and her extensive knowledge of the Ni'ihau culture makes Ms. Robinson an invaluable asset to the Island Burial Council, Islands of Kauai and Ni'ihau.

As affirmed by the records of votes of the members of your Committee on 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, 1 (Kidani).

**SCRep. 2937 Commerce and Consumer Protection on Gov. Msg. Nos. 539 and 540**

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 539 JAMES PLEISS, for a term to expire 6-30-2018; and

G.M. No. 540 LINA KIKUTA, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds James Pleiss and Lina Kikuta to possess the requisite qualifications to be nominated to the State Board of Chiropractic Examiners.

JAMES PLEISS

Your Committee received testimony in support of the nomination of James Pleiss from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Dr. Pleiss's experience, desire to contribute to the community, and proven leadership on the State Board of Chiropractic Examiners qualify him for reappointment to the State Board of Chiropractic Examiners as a licensee member. Your Committee notes that Dr. Pleiss is a licensed chiropractor in private practice on Maui and has been licensed in Hawaii since 1983. Dr. Pleiss is an active member of the Hawaii State Chiropractic Association, where he has served in a variety of leadership roles including two past terms as President. Dr. Pleiss is also an active member of his community, serving on the boards of directors of Maui United Way and the Rotary Club of Maui Upcountry. Dr. Pleiss has been a member of the State Board of Chiropractic Examiners since 2011 and is the Board's current Vice Chairperson. Your Committee further finds that Dr. Pleiss's many years of experience as a chiropractor continue to enhance the effectiveness of the State Board of Chiropractic Examiners and recommends that Dr. Pleiss be reappointed to the State Board of Chiropractic Examiners based on his knowledge, experience, and commitment to public service.

LINA KIKUTA

Your Committee received testimony in support of the nomination of Lina Kikuta from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Ms. Kikuta's interest in serving on the State Board of Chiropractic Examiners, desire to contribute to the community, and proven leadership on the State Board of Chiropractic Examiners qualify her for reappointment to the State Board of Chiropractic Examiners as a public member. Your Committee notes that Ms. Kikuta has served on the State Board of Chiropractic Examiners since 2011, is always prepared for matters that are on the Board's agenda, and is knowledgeable about the issues that the Board faces. Your Committee further finds that Ms. Kikuta provides the State Board of Chiropractic Examiners with valuable perspectives as a lay consumer member and has a thorough understanding of the role and



responsibilities of board members. Your Committee recommends that Ms. Kikuta be reappointed to the State Board of Chiropractic Examiners based on her background, knowledge, and dedication 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, 1 (Wakai).

**SCRep. 2938 Commerce and Consumer Protection on Gov. Msg. No. 541**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 541 ALAN KAUFMAN, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Alan Kaufman to possess the requisite qualifications to be nominated to the Board of Veterinary Examiners.

Your Committee received testimony in support of the nomination of Alan Kaufman from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Dr. Kaufman's professional experience, desire to contribute to the community, and proven leadership on the Board of Veterinary Examiners qualify him for reappointment to the Board of Veterinary Examiners as a licensee member representing Maui County. Your Committee notes that Dr. Kaufman has been a licensed veterinarian since 1977 and has a wide range of professional experience, including training with the International Wildlife Veterinary Services and working with the National Marine Fisheries Service and National Geographic to study the underwater behavior of the Hawaiian Monk Seal. Dr. Kaufman has been a member of the Board of Veterinary Examiners since July 2011, and his veterinary practice which has emphasized caring for companion animals, horses, and farm animals has enhanced the effectiveness of the Board. Your Committee further finds that Dr. Kaufman has a thorough understanding of the role and responsibilities of board members and recommends that he be reappointed to the Board of Veterinary 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, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2939 Commerce and Consumer Protection on Gov. Msg. No. 542**

Recommending that the Senate advise and consent to the nomination of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 542 GERALD SILVA, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Gerald Silva to possess the requisite qualifications to be nominated to the Cable Advisory Committee.

Your Committee received testimony in support of the nomination of Gerald Silva from the Department of Commerce and Consumer Affairs, 'Olelo Community Media, AARP Hawaii, and three individuals.

Upon review of the testimony, your Committee finds that Mr. Silva's background, experience, and proven leadership on the Cable Advisory Committee qualify him for reappointment to the Cable Advisory Committee. Your Committee notes that Mr. Silva's long and distinguished career includes various communications-related positions at the county and state levels, such as serving as the Deputy Director of the Department of Customer Services for the City and County of Honolulu and the Director of Communications and Special Projects for the Hawaii Tourism Authority. Mr. Silva also previously served as a member of the Cable Advisory Committee in 2004, but resigned his membership to take the position of Chief Operating Officer of 'Olelo Community Media (formerly 'Olelo Community Television), the largest community access television station in the country. As the Chief Operating Officer at 'Olelo, Mr. Silva did considerable research into chapter 440G, Hawaii Revised Statutes, which regulates cable communications systems in Hawaii. Mr. Silva was reappointed to the Cable Advisory Committee in 2011 and currently serves as the Committee's Oahu at-large member. Your Committee further finds that Mr. Silva's knowledge as a communications professional is an invaluable asset to the Cable Advisory Committee and recommends that Mr. Silva be reappointed to the Cable Advisory Committee based on his experience and dedication to serving his community.

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, 1 (Wakai).

**SCRep. 2940 Commerce and Consumer Protection on Gov. Msg. No. 543**

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 543 ALAN NAKAMURA, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Alan Nakamura to possess the requisite qualifications to be nominated to the Motor Vehicle Repair Industry Board.

Your Committee received testimony in support of the nomination of Alan Nakamura from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Mr. Nakamura's background, desire to contribute to the community, and proven leadership on the Motor Vehicle Repair Industry Board qualify him for reappointment to the Motor Vehicle Repair Industry Board as a licensee member. Your Committee notes that Mr. Nakamura is a licensed motor vehicle mechanic who has been in the motor vehicle repair industry for over forty years. Mr. Nakamura is the Owner and President of Kaimuki Auto Repair, a family-run independent certified repair shop, and a member of the Kaimuki Business and Professional Association. Your Committee further finds that Mr. Nakamura has been a member of the Motor Vehicle Repair Industry Board since July 2011 and his active experience in the motor vehicle repair industry continues to enhance the effectiveness of the Board. Your Committee therefore recommends that Mr. Nakamura be reappointed to the Motor Vehicle Repair Industry Board based on his background, knowledge, and commitment to serving the community.

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, 1 (Wakai).

**SCRep. 2941 Commerce and Consumer Protection on Gov. Msg. No. 544**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF NURSING

G.M. No. 544 LORAIN FLEMING, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Loraine Fleming to possess the requisite qualifications to be nominated to the State Board of Nursing.

Your Committee received testimony in support of the nomination of Loraine Fleming from the Department of Commerce and Consumer Affairs, The Queen's Medical Center, Queen Emma Nursing Institute, Hawaii Association of Professional Nurses, and two individuals.

Upon review of the testimony, your Committee finds that Dr. Fleming's extensive experience, commitment to her profession, and proven leadership on the State Board of Nursing qualify her for reappointment to the State Board of Nursing as a licensee member. Your Committee notes that Dr. Fleming has been a registered nurse for over thirty-five years, a nurse practitioner for fifteen years, and has been licensed in Hawaii as an Advanced Practice Registered Nurse since 2007. Dr. Fleming currently serves as the Director of Behavioral Health Services at The Queen's Medical Center and is an Assistant Professor at Hawaii Pacific University's College of Nursing and Health Sciences. Dr. Fleming has been a member of the State Board of Nursing for the past two years, currently serves as Chair of the Board, and is active in professional organizations, including serving as President of the Hawaii Chapter of the American Psychiatric Nurses' Association. Your Committee further finds that Dr. Fleming's knowledge about nursing practice and trends makes her an invaluable asset to the State Board of Nursing and recommends Dr. Fleming's reappointment to the State Board of Nursing based on her background, 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, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2942 Commerce and Consumer Protection on Gov. Msg. No. 545**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH CONNECTOR

G.M. No. 545 JO ANN TSARK, for a term to expire 6-30-2015

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jo Ann Tsark to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Health Connector.

Your Committee received testimony in support of the nomination of Jo Ann Tsark from the Board of Directors of the Hawaii Health Connector and three individuals.

Upon review of the testimony, your Committee finds that Ms. Tsark's background, experience, and commitment to community service qualify her for appointment to the Board of Directors of the Hawaii Health Connector. Your Committee notes that Ms. Tsark has spent twenty-five years in public health, focusing on Native Hawaiian and Pacific Islander health and wellness. Ms. Tsark participated in the efforts to pass and implement the Native Hawaiian Health Care Act of 1988 and the reauthorization in 1992 and also participated in forming Papa Ola Lokahi and Na Puuwai, the Native Hawaiian Health Care System on Molokai. Ms. Tsark is currently

the Research Director for Papa Ola Lokahi and is also a founding member and current Project Director for Papa Ola Lokahi's Imi Hale – the Native Hawaiian Cancer Network program. Your Committee further finds that Ms. Tsark will bring a wealth of public health knowledge to the Board of Directors that will enable the Hawaii Health Connector to better serve the residents of Hawaii, especially Native Hawaiian, Pacific Islander, and other uninsured and under-served groups that can benefit under the full implementation of the federal Patient Protection and Affordable Care Act. Your Committee therefore recommends that Ms. Tsark be appointed to the Board of Directors of the Hawaii Health Connector based on her extensive experience, dedication to her profession, and commitment to serving the community.

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, 1 (Wakai).

**SCRep. 2943 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 PUBLIC ACCOUNTANCY

G.M. No. 546 EDWARD PUNUA, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Edward Punua to possess the requisite qualifications to be nominated to the State Board of Public Accountancy.

Your Committee received testimony in support of the nomination of Edward Punua from the Department of Commerce and Consumer Affairs, Hawaii Society of Certified Public Accountants, and six individuals.

Upon review of the testimony, your Committee finds that Mr. Punua's background, experience, and commitment to serving the public qualify him for appointment to the State Board of Public Accountancy as a certified public accountant member. Your Committee notes that Mr. Punua has been licensed as a certified public accountant since 1998 and is the owner and principal employee at Edward L. Punua, CPA Inc., in Lihue, Kauai. Mr. Punua is an active member of the Hawaii Society of Certified Public Accountants, where he served on the Board of Directors from 2004 through 2010 and acted as liaison between Oahu and Kauai's certified public accountants and students in the accounting profession. Your Committee further finds that Mr. Punua has a thorough understanding of the role and responsibilities of board members and will bring a valuable neighbor island perspective to the State Board of Public Accountancy. Your Committee recommends that Mr. Punua be appointed to the State Board of Public Accountancy based on his knowledge, experience, and dedication to his profession.

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, 1 (Wakai).

**SCRep. 2944 Commerce and Consumer Protection on Gov. Msg. No. 547**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOXING COMMISSION OF HAWAII

G.M. No. 547 BRUCE KAWANO, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Bruce Kawano to possess the requisite qualifications to be nominated to the State Boxing Commission of Hawaii.

Your Committee received testimony in support of the nomination of Bruce Kawano from the Department of Commerce and Consumer Affairs, Old School Boxing, and thirty-three individuals.

Upon review of the testimony, your Committee finds that Mr. Kawano's background, commitment to serving his community, and proven experience on the State Boxing Commission of Hawaii qualify him for reappointment to the State Boxing Commission of Hawaii. Your Committee notes that Mr. Kawano has been involved with the sport of boxing since 1987 and has been coaching since 1994. Mr. Kawano is currently a volunteer boxing coach and supervisor at the Kalakaua District Park Gym, has served in many roles for the state amateur boxing program, and has served on various committees and task forces with USA Boxing. Mr. Kawano's extensive coaching background includes the USA Women's National team, five USA National Champions, three Junior Olympic National Champions, two U-19 National Champions, and fifteen Ringside World Champions. Your Committee further finds that Mr. Kawano has been a member of the State Boxing Commission of Hawaii since 2010 and his vast experience as a boxing coach is an invaluable asset to the Commission. Your Committee therefore recommends that Mr. Kawano be reappointed to the State Boxing Commission of Hawaii based on his experience, dedication to the sport of boxing, 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, 1 (Wakai).

**SCRep. 2945 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on H.B. No. 2071**

The purpose and intent of this measure is to designate the last Sunday in September as “Gold Star Family Day” to honor family members of the men and women who gave their lives to their country while serving with the United States Armed Forces in time of war or during a period of hostilities.

Your Committees received testimony in support of this measure from the State Office of Veterans Services; The Chamber of Commerce of Hawaii; Hawaii Catholic Conference; Hawaii Family Forum; National Association for Uniformed Services, Hawaii Chapter; and four individuals.

Your Committees find that on June 23, 1936, a joint congressional resolution designated the last Sunday in September as “Gold Star Mother’s Day” to honor the mothers of men and women who gave their lives for their country while serving in the United States Armed Forces. In September 2009, President Barack Obama renamed the day as “Gold Star Mother’s and Family Day”, including family members as part of the honorees. Seven states have already enacted legislation to recognize this day. Accordingly, this measure honors the families of those United States Armed Forces members who have bravely sacrificed their lives for their country.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2071, 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2946 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1564**

The purpose and intent of this measure is to require the counties to obtain approval from the Office of Veterans’ Services prior to any action that may negatively impact the State’s ability to fulfill its obligation to establish and maintain veterans’ cemeteries or impair the allocation of federal funds.

Your Committee received testimony in support of this measure from the State Department of Defense Civil Defense Division; Advisory Board to the Office of Veterans’ Services; Military Officers Association of America, Hawaii Chapter; and Office of Veterans Services.

Your Committee finds that the State recognizes the sacrifices made by the men and women of the Armed Forces of the United States and continues to honor their memory by maintaining a statewide network of veterans’ cemeteries. The Office of Veterans’ Services oversees the statewide network of veterans’ cemeteries. While the counties have generally met the requirements set forth by the Office of Veterans’ Services, to ensure the allocation of federal funds, the counties must comply with all federal requirements. This measure promotes greater compliance by the counties and awareness of the potential implications of the counties’ actions on the State and the receipt of federal funds.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1564, 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, 3. Noes, none. Excused, 2 (Espero, Green).

**SCRep. 2947 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1771**

The purpose and intent of this measure is to appropriate funds to the Department of Defense to support operational mission readiness activities of the Hawaii Wing of the Civil Air Patrol, including facilities maintenance, not funded by the National Civil Air Patrol.

Your Committee received testimony in support of this measure from the State Department of Defense Civil Defense Division; Department of Transportation; Hawaii Wing Civil Air Patrol; The Chamber of Commerce; National Association for Uniformed Services, Hawaii Chapter; and five individuals.

Your Committee finds that the Hawaii Wing of the Civil Air Patrol provides assistance with homeland security, aerospace education, cadet programs, and emergency services that include search and rescue missions, disaster relief, and tsunami warnings to coastal and remote areas. As such, the Hawaii Wing of the Civil Air Patrol is critical to the State’s emergency management agencies. This measure ensures that the Hawaii Wing of the Civil Air Patrol can continue its critical services in emergency management.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1771, 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, none. Excused, 2 (Espero, Green).

**SCRep. 2948 Public Safety, Intergovernmental and Military Affairs on H.B. No. 2072**

The purpose and intent of this measure is to appropriate funds to establish a full-time, permanent Women’s Veterans Coordinator position in the Office of Veterans’ Services to address the specialized needs of female veterans who served on active duty for the full period they were activated and who were discharged with other than a dishonorable discharge.

Your Committee received testimony in support of this measure from the State Department of Defense Civil Defense Division; State Office of Veterans Services; Advisory Board to the Office of Veterans' Services; Military Officers Association of America, Hawaii Chapter; Hawaii State Democratic Women's Caucus; Planned Parenthood of Hawaii; Hawaii Military Women's Task Force Committee; Hawaii State Democratic Gay Lesbian Bisexual and Transgender Caucus; and three individuals.

Your Committee finds that the population of female veterans is the fastest growing group of veterans and there are more than eleven thousand female veterans residing in Hawaii. The circumstances and challenges faced by female veterans are often different from those of their male counterparts. However, veterans' benefits have traditionally been designed to address the needs of male veterans. Female veterans are in need of gender-appropriate programs, benefits, and services. This measure appropriates funds to establish a full-time, permanent Women's Veterans Coordinator position to advocate on behalf of female veterans who served on active duty for the full period they were activated.

Your Committee notes the two concerns expressed by the Hawaii Military Women's Task Force Committee and Hawaii State Democratic Gay Lesbian Bisexual and Transgender Caucus – first, male veterans are also victims of military sexual trauma, and second, female veterans are often forced out of service with a dishonorable discharge as a consequence of the sexual assault culture that exists in the military.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 1 to reflect the amended purpose of this measure;
- (2) Renaming the position as the Veterans Coordinator and requiring the Veterans Coordinator to serve all veterans, with a primary focus on female veterans, who served on active duty for the full period they were activated;
- (3) Eliminating the requirement that the Veterans Coordinator only serve veterans who were discharged with other than a dishonorable discharge; and
- (4) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2072, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2072, 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, 2 (Espero, Green).

**SCRep. 2949 Public Safety, Intergovernmental and Military Affairs on H.B. No. 2073**

The purpose and intent of this measure is to appropriate funds for the planning, design, and construction of a memorial honoring the veterans of the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, Operation New Dawn, Global War on Terrorism, Homeland Defense, and Operation Noble Eagle, and those who have protected our borders by land, sea, and air and for the planning, design, and construction of replicas to be located at veterans' cemeteries throughout the State.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services; State Department of Defense Civil Defense Division; State Department of Defense Office of Veterans' Services; Advisory Board to the Office of Veterans' Services; Military Officers Association of America, Hawaii Chapter; Veterans of Foreign Wars of the United States, Department of Hawaii; and three individuals.

Your Committee finds that the Legislature enacted Act 139, Session Laws of Hawaii 2013, directing the development of a plan to establish a war memorial. Consequently, the Gulf War Memorial Task Force collected data and proposed site selection for the memorial. Accordingly, this measure appropriates funds to build and establish a Hawaii Gulf War Memorial and replica memorials to be located at veterans' cemeteries throughout the State, as recommended by the Gulf War Memorial Task Force.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2073, 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, 3. Noes, none. Excused, 2 (Espero, Green).

**SCRep. 2950 Public Safety, Intergovernmental and Military Affairs on H.B. No. 2150**

The purpose and intent of this measure is to appropriate funds to the Pacific International Space Center for Exploration Systems (PISCES) to support PISCES' Planetary Sustainability Technologies Initiative and university-based competitions, contingent on a dollar-for-dollar match from the State of California.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawaii at Hilo; National Aeronautics and Space Administration Ames Research Center; Ferraro Choi; Pacific International Space Center for Exploration Systems; Paragon Space Development Corporation; and twelve individuals.

Your Committee finds that PISCES stimulates the economic growth for the State, promoting the establishment and growth of new sustainable and green industries, associated jobs, workforce development, internships, and science, technology, engineering, and mathematics education programs.

Your Committee further finds that the State's remote geographic location and unique natural resources provide an ideal location to research, test, and validate basaltic construction modules, three-dimensional laser printing technology, renewable energy systems, and

advanced water reclamation. This measure will fund PISCES' Planetary Sustainability Technologies Initiative, securing a leadership role for the State in the maturation of these pioneering technologies and advancing the future well-being of the State.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2150, 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, 3. Noes, none. Excused, 2 (Espero, Green).

**SCRep. 2951 Public Safety, Intergovernmental and Military Affairs on H.B. No. 2152**

The purpose and intent of this measure is to appropriate funds to the Pacific International Space Center for Exploration Systems (PISCES) to support administrative and general tasks, strategic program initiatives, and the preliminary development of the PISCES' research and development park.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawaii Hilo; Pacific International Space Center for Exploration Systems; National Aeronautics and Space Administration Ames Research Center; Ferraro Choi; Paragon Space Development Corporation; and twelve individuals.

Your Committee finds that pursuant to Act 169, Session Laws of Hawaii 2012, and Act 273, Session Laws of Hawaii 2013, codified in chapter 201, Hawaii Revised Statutes, PISCES was established to support the development of a world-class center of excellence in Hawaii and to facilitate the design, testing, and validation of new space technologies, securing a leadership role for the State in the maturation of these pioneering technologies. Accordingly, this measure will further fund PISCES' operations, planetary sustainability technologies initiatives, and development of a research and development park.

Your Committee has amended this measure by:

- (1) Inserting a total general obligation bond issuance authorization and appropriation amount of \$10,000,000;
- (2) Amending the capital improvement project appropriation elements to planning, design, and construction and inserting amounts of \$1,000,000 for planning, \$1,000,000 for design, \$8,000,000 for construction, and \$10,000,000 for total funding; 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2152, 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, 2 (Espero, Green).

**SCRep. 2952 Education on H.B. No. 1776**

The purpose and intent of this measure is to:

- (1) Add a dental examination to existing physical examination requirements for initial attendance of any school in the State; and
- (2) Require the Board of Education to establish a pilot program to require a physical examination for entry into seventh grade in one complex area.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Hale Kipa, American Academy of Pediatrics Hawaii Chapter, and Waianae Coast Comprehensive Health Center. Your Committee received testimony in opposition to this measure from the Department of Education. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that currently, children are required to undergo a physical examination only prior to attending school in Hawaii for the first time, unless they play sports. Back-to-school checkups are often the only visit most children and teenagers have with their doctors. Requiring children to undergo a physical examination will promote greater wellness for Hawaii's school children.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 2235, S.D. 2, Regular Session of 2014, which require each student to receive a physical examination prior to attending seventh grade beginning with the 2015-2016 school year; and
- (2) Inserting an effective date of July 1, 2030, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1776, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1776, 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 (Gabbard, Slom).

**SCRep. 2953 Education on H.B. No. 1796**

The purpose and intent of this measure is to establish conditions and procedures for the use of restraint or seclusion in public schools.

Your Committee received testimony in support of this measure from the Department of Education, State Council on Developmental Disabilities, Hawaii Disability Rights Center, Hawaii Association of School Psychologists, Community Children's Council of Hawaii, Special Education Advisory Council, and six individuals. Your Committee received testimony in opposition to this measure from three individuals. Your Committee received comments on this measure from Handle with Care Behavior Management System, Inc. and one individual.

Your Committee finds that this measure will promote the safety and well-being of students and school personnel by requiring the Board of Education and Department of Education to establish policies and procedures for the limited use of restraint in public schools.

Your Committee has amended this measure by:

- (1) Prohibiting the use of seclusion, chemical restraint, or mechanical restraint in public schools;
- (2) Prohibiting the use of physical restraint unless a student's behavior poses an imminent danger of property damage or physical injury to the student, school personnel, or others and only for so long as the danger persists; provided that other less intrusive interventions have failed or been determined to be inappropriate for the student;
- (3) Prohibiting the use of any physical restraint that is:
  - (A) Life threatening, including physical restraint that may restrict breathing; or
  - (B) Contraindicated based on the student's disability, health care needs, or medical or psychiatric condition, as documented in a health care directive or medical management plan, a behavior intervention plan, an individual education program, or an individualized family service plan, or plan developed pursuant to Section 504 of the Rehabilitation Act of 1973;
- (4) Clarifying that staff who use restraint must be trained and certified at least annually;
- (5) Clarifying that a mechanical restraint includes the use of devices that restrict a student's ability to communicate in the student's primary language or mode of communication;
- (6) Defining and including chemical restraint as a type of restraint;
- (7) Amending the definition of "seclusion" to mean the confinement of a student alone in a room or structure from which the student is physically denied voluntary egress;
- (8) Adding language to require the Department of Education to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2017, 2018, and 2019, on the Department of Education's policy and procedures on the use of restraint in public schools; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

If this measure is considered for passage by your Committee on Ways and Means, your Committee requests that your Committees on Judiciary and Labor and Ways and Means give consideration to any funding request by the Department of Education for the purposes of carrying out the purposes of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1796, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1796, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 2954 (Joint) Education and Human Services on S.C.R. No. 41**

The purpose and intent of this measure is to request the Department of Education and Department of Human Services to assist with increasing voter registration among young adults by:

- (1) Requesting the Department of Education to provide seniors at every public school with voter registration information prior to graduation;
- (2) Requesting the Department of Human Services to provide young adults who are in young adult voluntary foster care with information on voter registration; and
- (3) Requesting the Department of Human Services to provide additional information about the voter registration process to any young adult who inquires.

Your Committees received testimony in support of this measure from the Department of Education, Department of Human Services, Office of Elections, Hawaii Youth Services Network, and one individual.

Your Committees find that this measure will provide young adults with more information regarding the voter registration process and may encourage more young adults to exercise their right to vote.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 41 and recommend that it be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

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

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Taniguchi).

**SCRep. 2955 (Joint) Health and Human Services on H.B. No. 2293**

The purpose and intent of this measure is to:

- (1) Continue the hospital sustainability program by extending its sunset date to June 30, 2015; and
- (2) Make an appropriation to be used for the purposes of the hospital sustainability program.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Primary Care Association, Healthcare Association of Hawaii, The Queen's Health Systems, and Chamber of Commerce Hawaii. Your Committees received comments on this measure from one individual.

Recognizing that Medicaid payments to hospitals were far below the actual costs of care, the Legislature created the hospital sustainability program by enacting Act 217, Session Laws of Hawaii 2012, which increases Medicaid payments to hospitals. Your Committees find that the program achieves this by assessing a fee on hospitals, using the revenue to obtain matching federal Medicaid funds, and returning a majority of the combined amount directly to hospitals. This measure will provide increased access to medical care and create more sustainable hospitals in Hawaii.

Your Committees have amended this measure by:

- (1) Amending section 36-27, Hawaii Revised Statutes, to exempt the hospital sustainability program special fund from the five percent deduction of special funds to be transferred to the general fund;
- (2) Amending section 36-30, Hawaii Revised Statutes, to update the reference to the laws establishing the hospital sustainability program special fund;
- (3) Inserting an appropriation amount of \$50,000,000;
- (4) Inserting an effective date of July 1, 2014, for the appropriation and June 29, 2014, for the rest of the measure; and
- (5) 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 Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2293, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2293, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 2956 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on H.B. No. 2224**

The purpose and intent of this measure is to:

- (1) Establish a registry for clean and sober homes within the Department of Health;
- (2) Make an appropriation for the staffing and operating costs to plan, establish, and operate the registry of clean and sober homes; and
- (3) Amend the statutes on county zoning to better align functions of state and county jurisdictions with federal law.

Your Committees received testimony in support of this measure from the Department of Health; Department of Public Safety; Department of Planning and Permitting, City and County of Honolulu; Hawaii Substance Abuse Coalition; and two individuals.

Your Committees find that clean and sober homes, which are located in communities throughout the State, provide housing for individuals struggling with substance abuse, including those who may have mental health issues, as they transition from the treatment setting to life in the community. Your Committees further find that stable housing is a critical component in the continuum of substance abuse treatment and recovery.

However, neighboring residents have expressed concerns over the location and operation of clean and sober homes in their neighborhoods. In response to these concerns, the Director of Health convened the Clean and Sober Homes and Halfway Houses Task Force to explore ways to ensure that these homes are properly monitored and accountable for meeting occupancy, zoning, and permitting requirements and quality standards.

Your Committees find that this measure is a product of a two-year process during which the knowledge and expertise of public and private agencies were elicited. This measure will help residents access stable, alcohol- and drug-free living environments in residences that are in compliance with federal, state, and county requirements and minimum quality standards.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2014; and
- (2) 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 Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2224, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2224, 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.

Health

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

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 2957 Health on H.B. No. 2213**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist the West Maui Hospital and Medical Center Foundation, Inc., in establishing a hospital in West Maui.

Your Committee received testimony in support of this measure from the County Council, County of Maui; Office of the Mayor, County of Maui; and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that West Maui's increasing population requires the establishment of a nearby hospital to timely handle emergency situations. Your Committee further finds that critical care patients often need lifesaving treatment within a small window of time. However, the travel time from West Maui to the existing Maui Memorial Medical Center in Central Maui generally takes between forty to ninety minutes. This measure will ensure access to medical treatment in West Maui in order to protect the health, safety, and welfare of residents and visitors.

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. 2213, 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, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2958 Health on H.B. No. 2099**

The purpose and intent of this measure is to amend various sections of the Hawaii Revised Statutes to authorize advanced practice registered nurses to practice to the fullest extent of their training and education.

Your Committee received testimony in support of this measure from the Hawaii Board of Nursing, Hawaii State Center for Nursing, Hawaii Pacific Health, The Queen's Health Systems, Healthcare Association of Hawaii, Hawaii Island Family Medicine Residency, Disability and Communication Access Board, Kokua Kalihi Valley Comprehensive Family Services, and five individuals.

Your Committee finds that advanced practice registered nurses have the advanced education and knowledge to provide direct patient care in many settings, including hospitals, clinics, and private offices, and are recognized by state law as primary health care providers for insurance purposes. By correcting statutory references to reflect the full scope of practice of advanced practice registered nurses, this measure will enable improved 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2099, H.D. 1, 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 (Nishihara, Slom).

**SCRep. 2959 Health on H.B. No. 2052**

The purpose and intent of this measure is to:

- (1) Increase access to provider orders for life-sustaining treatment by updating references from "physician orders for life-sustaining treatment" to "provider orders for life-sustaining treatment" throughout chapter 327K, Hawaii Revised Statutes;
- (2) Expand health care provider signatory authority to include advanced practice registered nurses;
- (3) Correct inconsistencies over terms used to describe who may sign a provider order for life-sustaining treatment form on behalf of a patient; and
- (4) Require the Department of Health to adopt a sample form for provider orders for life-sustaining treatment.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii State Center for Nursing, Healthcare Association of Hawaii, Hospice Hawaii, Hawaii Island Family Residency, and four individuals. Your Committee received testimony in opposition to this measure from the Executive Office on Aging and The Queen's Health Systems. Your Committee received comments on this measure from Hawaii Pacific Health, Kokua Mau, Hawaii Medical Association, and one individual.

Your Committee finds that the use of provider orders for life-sustaining treatment, commonly referred to as POLST, is a holistic method of planning for end-of-life care with a specific set of medical orders to ensure that patients' wishes are honored. Your Committee further finds that expanding signatory authority to include advanced practice registered nurses will promote efficiency,

assist with a timely completion of POLST forms for patients, and expand access to health care professionals who may sign POLST forms, which will be highly beneficial for individuals living in rural areas and neighbor islands.

Your Committee has amended this measure by:

- (1) Changing “legally authorized representative” to “legal representative”;
- (2) Adding an agent designated through a power of attorney for health care to the definition of a legal representative;
- (3) Permitting a legal representative to execute a POLST form if the patient lacks capacity;
- (4) Removing the requirement that a POLST form be signed by the patient’s provider, in addition to the patient or the patient’s legal representative;
- (5) Removing the requirement that the Department of Health adopt a sample POLST form;
- (6) Making the measure effective upon approval; and
- (7) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2052, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2052, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2960      Tourism on H.B. No. 2170**

The purpose and intent of this measure is to provide an income tax credit for costs incurred for new hotel construction.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, Chamber of Commerce Hawaii, Wyndham Vacation Ownership, Hawaii Regional Council on Carpenters, and UNITE HERE Local 5. Your Committee received comments on this measure from the Department of Taxation and Hawaii Tax Foundation.

Your Committee finds that one of the keys to promoting Hawaii as a visitor destination is the improvement and enhancement of the tourism product, which includes physical infrastructure. This measure provides the private sector with investment incentives to improve hotel facilities. Your Committee further finds that more hotel construction will provide an immediate boost to the economy, while also investing in Hawaii’s future economy by securing long-term revenue from the tourism industry.

Your Committee has amended this measure by:

- (1) Inserting a purpose section; and
- (2) 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 Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2170, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2170, 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. 2961      (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on H.B. No. 1667**

The purpose and intent of this measure is to exempt qualifying totally and permanently disabled veterans from paying the state motor vehicle registration fee and to require the Office of Veterans’ Services to report the number of qualifying veterans to the Legislature and Department of Taxation.

Your Committees received testimony in support of this measure from the Department of Defense; State Office of Veterans Services; Office of the Mayor of the County of Kauai; Military Officers Association of America, Hawaii Chapter; and four individuals. Your Committee received testimony in opposition to this measure from the Department of Transportation. Your Committee received comments on this measure from the Department of Customer Services of the City and County of Honolulu and the Tax Foundation of Hawaii.

Your Committees find that disabled veterans deserve to be rewarded for their sacrifices in the name of duty, honor, and country. The exemption provided by this measure would be a small recognition of those veterans who incurred military-related injuries and are now rated as one hundred percent disabled, who have made a significant sacrifice for their country.

Your Committees have amended this measure by:

- (1) Decreasing the exemption to one-half of the required annual vehicle registration fee, rounded up to the nearest dollar, in recognition that the State cannot afford the loss in revenue of a total exemption in these times of budgetary austerity; and
- (2) Changing the effective date to January 1, 2015, to allow necessary time for computer programming to implement this measure if enacted.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and

purpose of H.B. No. 1667, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1667, 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.

Transportation and International Affairs  
Ayes, 9. Noes, none. Excused, none.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

**SCRep. 2962 Transportation and International Affairs on H.B. No. 1706**

The purpose and intent of this measure is to deter illegal parking on bicycle lanes and bicycle paths by establishing a minimum fine of \$200 for a violation of the offense of parking a vehicle on a bicycle lane or bicycle path.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that the current minimum fine of \$35 has proven insufficient to deter motorists from blocking bicycle lanes and bicycle paths. As the City and County of Honolulu continues to implement the Oahu Bike Plan and expand the number of bike paths and lanes, there will be greater anticipated use of bicycling as a viable and regular mode of travel. Obstruction of bicycle lanes and paths by motorists is a safety hazard and a danger to bicyclists and all neighborhood residents. This measure serves as a deterrent to motorists who would block bicycle lanes and paths.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, 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, 8. Noes, none. Excused, 1 (Slom).

**SCRep. 2963 Transportation and International Affairs on H.B. No. 1811**

The purpose and intent of this measure is to extend the sunset date of Act 46, Session Laws of Hawaii 2012, to allow the Department of Transportation more time to culminate lease or permit negotiations and reach an agreement with airport concessionaires.

Your Committee received testimony in support of this measure from the Department of Transportation; Airport Concessionaires Committee; Greeters of Hawaii; Island Shoppers, Inc.; Tiare Enterprises, Inc.; HMSHost; and GRL Corporation.

Act 46, Session Laws of Hawaii 2012, provides the Department of Transportation with the authority and discretion to reach an agreement with an airport concessionaire to extend the term of the concession and to modify and amend terms of any concession contract, lease, or permit in exchange for revenue-enhancing improvements that are made or paid for by the concessionaire. Act 46 sunsets on July 1, 2014.

Your Committee finds that modernization and improvements at Hawaii's airport concessions have not kept pace with passenger needs and demands. A recent study by the State indicates that various areas at our public airports are lacking in concession space by as much as forty percent, and that Hawaii's public airports are not maximizing concession revenues. It is important that the Department of Transportation and concessionaires work together in achieving the improvements contemplated in an expeditious but fair and equitable manner, including amendments extending the term of a concession lease or permit at the Department of Transportation's discretion.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1811, 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, 8. Noes, none. Excused, 1 (Slom).

**SCRep. 2964 (Joint) Higher Education and Agriculture on H.B. No. 2180**

The purpose and intent of this measure is to appropriate funds for a pilot project at the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources to create new technologies for sustainable agriculture in the State through scientific research and support services.

Your Committees received testimony in support of this measure from the Department of Agriculture, University of Hawai'i at Manoa College of Tropical Agriculture and Human Resources, Hawai'i Farm Bureau Federation, and four individuals.

Your Committees find that Hawaii's agricultural industry must commit to different forms of sustainable agriculture through the use of new technologies. Incorporating agricultural practices that enhance environmental quality, make more efficient use of resources, and help sustain the economic viability of agriculture practices will create a more vibrant agricultural industry in the State.

If this measure is considered for passage by your Committee on Ways and Means, your Committees note that the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources will need \$1,000,000 for the pilot project.

As affirmed by the records of votes of the members of your Committees on Higher Education and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2180, 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.

Higher Education  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

Agriculture  
Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Thielen).

**SCRep. 2965 Higher Education on H.B. No. 1654**

The purpose and intent of this measure is to establish a Campus Facility Board within the University of Hawaii to manage the funding of necessary repair and maintenance projects at University of Hawaii campuses statewide.

Your Committee received testimony in opposition to this measure from the University of Hawai'i System. Your Committee received comments on this measure from the Hawaii Operating Engineers Industry Stabilization Fund.

Your Committee finds that the University of Hawaii System currently has a backlog of deferred repair and maintenance projects totaling over \$480,000,000. It is essential to the future of the University of Hawaii System and its students and faculty that safe and proper learning environments are provided and maintained.

Your Committee further finds that this measure will establish a means to manage the funding of necessary repair and maintenance projects and assist the University of Hawaii System in addressing the current backlog.

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. 1654, 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 (Ige, Tokuda, Slom).

**SCRep. 2966 Higher Education on H.B. No. 1491**

The purpose and intent of this measure is to repeal the University of Hawaii's program budget exemptions.

Your Committee received testimony in opposition to this measure from the University of Hawai'i System. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the University of Hawaii is currently exempt from certain budgetary oversights and controls, which limits transparency and may cause difficulties in ensuring that the University of Hawaii is properly accountable for its use of public funds.

Your Committee further finds that the manner in which the University of Hawaii manages the public funds entrusted to it is a matter of statewide concern under the Legislature's purview pursuant to article X, section 6, of the Hawaii State Constitution.

Your Committee has amended this measure by:

- (1) Inserting language to require the University of Hawaii to provide written notice to the Director of Finance no less than fifteen days prior to any transfer of special fund monies between special funds and prior to any use of special fund monies for purposes outside of the statutory purpose of the special fund;
- (2) Reinstating the University of Hawaii's authority to modify or withhold planned expenditures in accordance with sections 37-36 and 37-37, Hawaii Revised Statutes;
- (3) Reinstating the University of Hawaii's authority to transfer appropriated funds and positions for the operating cost category among programs, among cost elements in a program, and between quarters without legislative approval;
- (4) Inserting language to require the University of Hawaii to provide written notice to the Director of Finance no less than fifteen days prior to any transfer of appropriated funds and positions for the operating cost category among programs, and among cost elements in a program;
- (5) Reinstating the requirement that the University of Hawaii account for each transfer in quarterly reports to the Governor and annual reports at the end of each fiscal year to the Legislature and Governor; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1491, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1491, 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 (Ige).

**SCRep. 2967 (Joint) Higher Education and Energy and Environment on H.B. No. 2620**

The purpose and intent of this measure is to require and appropriate funds for the University of Hawaii Sea Grant College Program to submit a report to the Legislature updating its 1996 report on oil spills.

Your Committees received testimony in support of this measure from the Department of Health. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that in 1996, the University of Hawaii Sea Grant College Program issued a report, "Hawaii's Readiness to Prevent and Respond to Oil Spills". The report has not been updated since it was first released.

The recent molasses spill in Honolulu Harbor highlights the need to update the report and prepare a spill prevention plan for the State. This measure requires the University of Hawaii Sea Grant College Program to submit to the Legislature an update of its 1996 report and provides the necessary resources to the Sea Grant College Program.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2014; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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 H.B. No. 2620, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2620, 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.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

Energy and Environment

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 2968 (Joint) Higher Education and Commerce and Consumer Protection on H.B. No. 2273**

The purpose and intent of this measure is to authorize the Motor Vehicle Repair Industry Board to enter into agreements with entities, educational institutions, or other organizations, as necessary, in addition to the University of Hawaii, to ensure that motor vehicle mechanics' knowledge of motor vehicle repairs are current and in line with industry standards.

Your Committees received testimony in support of this measure from the Motor Vehicle Repair Industry Board.

Your Committees find that this measure will provide the Motor Vehicle Repair Industry Board with greater flexibility to enter into agreements with a variety of organizations to ensure that motor vehicle mechanics' knowledge of motor vehicle repairs are current and in line with industry standards.

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 Higher Education 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. 2273, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2273, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 2969 Education on H.B. No. 2576**

The purpose and intent of this measure is to:

- (1) Establish an income tax credit for contributions of money or in-kinds goods and services for the development of charter school facilities;
- (2) Establish the Hawaii charter school facility development special fund; and
- (3) Make appropriations to support charter school facilities.

Your Committee received testimony in support of this measure from the State Public Charter School Commission, Kamehameha Schools, Hawaiian Education Council, Hawaii Charter School Network, and five individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committee finds that funding for facilities at Hawaii's charter schools has been a longstanding issue that needs creative solutions. This measure will encourage donations of money and in-kind goods and services to charter schools to assist with their facilities' needs.

Your Committee has amended this measure by:

- (1) Clarifying that the amount of the tax credit shall be equal to an unspecified percentage of the value of in-kind goods and services and cash contributions to the Hawaii charter school facility development fund (special fund);
- (2) Inserting language that prohibits a taxpayer from using the same wages paid for both a deduction and a tax credit;
- (3) Clarifying that the definition of "charter schools" has the same meaning as defined in section 302D-1, Hawaii Revised Statutes (HRS), rather than section 302A-101, HRS;

- (4) Clarifying that the State Public Charter School Commission, rather than the Department of Education, is authorized to determine the necessity of expenditures from the special fund;
- (5) Clarifying that the monies in the special fund may be pledged to secure loans from private lending institutions for financially sound, rather than financially stable, charter schools, as the term "financially sound" is currently used to determine the operational viability of charter schools;
- (6) Making this measure apply to taxable years beginning after December 31, 2014;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that in the future, the Legislature may wish to consider creating a special fund for charter schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2576, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2576, 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. 2970 Education on H.B. No. 2597**

The purpose and intent of this measure is to:

- (1) Authorize, under the teacher national board certification incentive program, an additional per year bonus for teachers who maintain national current board certification and teach at a school in a focus, priority, or Superintendent's zone, or other similar designation; and
- (2) Make housekeeping amendments to the teacher national board certification incentive program.

Your Committee received testimony in support of this measure from the Department of Education and two individuals. Your Committee received comments on this measure from the Hawaii State Teachers Association.

Your Committee finds that this measure will help ensure that students in all schools are taught by highly motivated, highly qualified teachers and aligns the law with the Department of Education's current method of evaluating school performance.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2597, 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, 1 (Slom).

**SCRep. 2971 Education on H.B. No. 1745**

The purpose and intent of this measure is to:

- (1) Authorize the State Public Charter School Commission (Commission) to assess fees on non-state entities and individuals to help cover its operating costs;
- (2) Require that a charter applicant comply with pre-opening criteria set by the charter school authorizer before becoming an entity of the State, by entering into and executing a charter contract to open a school;
- (3) Provide that an approved charter applicant that fails to satisfactorily meet the pre-opening criteria and enter into a charter contract or withdraws its application will be required to reapply and have its charter application approved by a charter school authorizer;
- (4) Specify that legislatively appropriated funding for the Commission is independent of funding for charter schools;
- (5) Allow charter school authorizers to make and execute contracts;
- (6) Amend annual reporting requirements for charter school authorizers and the Board of Education;
- (7) Amend requirements for service on a governing board, for the conduct of meetings by a governing board, and for notice of meetings by a governing board;
- (8) Repeal the authorization for the formation of a conversion charter school by an existing Hawaiian language immersion program;
- (9) Provide for the reconstitution of governing boards of charter schools under exigent circumstances;
- (10) Allow charter school authorizers to direct a governing board and charter school to take appropriate action to immediately address serious health and safety issues that may exist at a charter school; and
- (11) Make other housekeeping and conforming amendments.

Your Committee received testimony in support of this measure from the State Public Charter School Commission, Hawaii Public Charter Schools Network, and one individual. Your Committee received comments on this measure from the Department of Budget and Finance and one individual.

Your Committee finds that in 2012, the Legislature passed Act 130, Session Laws of Hawaii 2012 (Act 130), which established a new charter school law that created a solid governance structure for Hawaii's charter school system with clear lines of authority and accountability to foster improved student outcomes. As a result of Act 130, Hawaii's charter school system leapt to fourteenth place in the National Alliance for Public Charter Schools' rankings. This measure builds on the progress made by Act 130, while addressing outstanding issues and making other amendments for clarity.

Your Committee has amended this measure by:

- (1) Adding language to require pre-opening charter schools to meet pre-contracting criteria set by the charter school authorizer prior to entering into a charter contract;
- (2) Adding language to clarify that during the start-up period, a pre-opening charter school that is a conversion charter school is a separate entity of the State than the department school from which it is converting;
- (3) Adding language to clarify that pre-opening charter schools, unless otherwise exempted by the charter school authorizer:
  - (A) Shall not be entitled to receive funding under section 302D-26, 302D-28, or 302D-29, Hawaii Revised Statutes (HRS);
  - (B) Shall not employ employees other than independent contractors; and
  - (C) Shall not be subject to the performance framework requirements of section 302D-16, HRS;
- (4) Adding language to clarify that the charter contract of a pre-opening charter school is void if the charter school fails to meet pre-opening criteria within the start-up period;
- (5) Adding definitions of the terms "executive director" and "pre-opening charter school" for clarity;
- (6) Deleting language relating to required disclosures of members of the Commission;
- (7) Adding language to clarify that a charter school authorizer has the power to negotiate and execute charter contracts with approved charter applicants and existing charter schools;
- (8) Adding language to require members of a charter school authorizer, including members of the Commission, to disclose a list of all charter schools in which the member has previously been an employee, governing board member, vendor, contractor, agent, or representative;
- (9) Adding language to clarify that former charter school employees, and vendors and contractors who provide goods or services to a charter school, unless one year has passed since the conclusion of the employee's employment with the school or the vendor's or contractor's service to the school, shall not comprise more than one-third of the voting members of the governing board of a charter school;
- (10) Adding language to clarify that former charter school employees, and vendors and contractors who provide goods or services to a charter school, unless one year has passed since the conclusion of the employee's employment with the school or the vendor's or contractor's service to the school, shall not serve as the chair of the governing board of that charter school;
- (11) Deleting vendors and contractors who provide goods or services to a charter school from the definition of an "employee" for purposes of charter school governing boards;
- (12) Adding language to clarify that the performance framework within the charter contract shall also include financial and organizational performance indicators, measures, and metrics;
- (13) Amending, rather than repealing, section 302D-16(b), HRS, to clarify that annual academic performance targets are required to be set for each charter school to help track each school in meeting applicable federal, state, and authorizer expectations;
- (14) Adding language to clarify that an authorizer shall issue a performance report and charter contract renewal application guidance to any charter school whose charter contract is in its final contract year;
- (15) Adding language to clarify that charter schools, the Commission, and charter school authorizers are exempt from section 302A-1402, HRS, which requires the Director of Finance to be the custodian and disbursing officer of all federal funds received for public educational purposes;
- (16) Adding language to clarify that, for purposes of statutory delegation of authority to department heads by other state agencies, the Executive Director of the Commission is considered the department head of the Commission and charter schools unless otherwise specifically provided;
- (17) Adding language to clarify that the Commission may receive, expend, or allocate funds received from any request for facilities funding in its annual budget request;
- (18) Adding language to clarify that the Commission may support the facilities' needs of charter schools through other means besides through a request for facilities funding in its annual budget request;
- (19) Adding language giving a charter school authorizer the discretion to allow a financial review of a charter school in lieu of an independent financial audit; and
- (20) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1745, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1745, 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. 2972 Tourism on H.B. No. 2169**

The purpose and intent of this measure is to provide:

- (1) Qualified employers with a non-refundable income tax credit for a percentage of wages paid to qualified employees for a period after completion of hotel and resort construction or renovation;
- (2) A general excise tax exemption for certain income from construction or renovation of a hotel or resort; and
- (3) A use tax exemption for property, services, and contracting subject to the general excise tax exemption described in paragraph (2).

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, Hawaii Lodging and Tourism Association, Wyndham Vacation Ownership, and Hawaii Regional Council on Carpenters. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that investing in Hawaii's infrastructure is critical to the State's ability to compete with other tourist destinations. Your Committee further finds that encouraging hotel construction and renovation will generate construction and hospitality jobs throughout the State. This measure provides incentives for investment in the future of Hawaii's tourism industry and will revitalize the State's aging hotel properties.

Your Committee notes that there may be a constitutional issue if it is determined that this measure limits contract bids to construction trade unions in Hawaii.

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. 2169, 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, 1 (Slom).

**SCRep. 2973 Tourism on H.B. No. 1692**

The purpose and intent of this measure is to:

- (1) Require the Hawaii Tourism Authority's brand management plan to be a single, comprehensive document;
- (2) Require the Hawaii Tourism Authority to submit a complete and detailed report of the results of the progress of its plan toward achieving the Hawaii Tourism Authority's strategic plan goals as part of its annual report to the Governor and Legislature; and
- (3) Make housekeeping amendments to the functions and duties of the Hawaii Tourism Authority.

Your Committee received testimony in support of this measure from the Office of the Auditor and Hawaii Tourism Authority. Your Committee received comments on this measure from the Office of Information Practices and American Resort Development Association.

Your Committee finds that according to the State Auditor's 2013 report entitled "Audit of Major Contracts and Agreements of the Hawaii Tourism Authority", the Hawaii Tourism Authority's marketing plan is dispersed, unwieldy, and falls short of statutory requirements. This measure responds to the State Auditor's findings by ensuring that the Hawaii Tourism Authority's marketing plan is a single, comprehensive document and clarifying the Hawaii Tourism Authority's reporting requirements.

Your Committee has amended this measure by:

- (1) Changing references to the "tourism brand management plan" to the "tourism marketing plan";
- (2) Requiring the Hawaii Tourism Authority to perpetuate the uniqueness of the native Hawaiian culture and community, and their importance to the quality of the visitor experience, by ensuring the accurate portrayal of Hawaiian culture; supporting the Hawaiian language; supporting and nurturing cultural practitioners and cultural sites; and providing a native Hawaiian cultural education and training program for the visitor industry workforce; 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 Tourism 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, 1 (Slom).

**SCRep. 2974 Human Services on H.B. No. 2478**

The purpose and intent of this measure is to encourage employers to hire individuals with disabilities by providing taxpayers who hire an individual with a disability a nonrefundable tax credit for the six-month period after the individual is initially hired.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Hawaii Disability Rights Center, The Arc in Hawaii, and one individual. Your Committee received testimony in opposition to this measure



from one individual. Your Committee received comments on this measure from the Department of Taxation, Department of Human Services, and Tax Foundation of Hawaii.

Your Committee finds that employing individuals with intellectual and developmental disabilities serves to improve the individuals' economic self-sufficiency, allow them to contribute to the community as tax-paying citizens, and provide them with the opportunity to establish relationships and social networks. Your Committee believes it is important to encourage employment of individuals with disabilities because their unemployment rate far surpasses the overall unemployment rate nationwide. Your Committee received testimony on this measure expressing concern that the tax credit is somewhat duplicative of existing statute that creates a tax credit for hiring vocational rehabilitation referrals. Concern was also raised that this measure allows an employer to claim both a deduction and a tax credit for the same amount of wages expended.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that prohibits a taxpayer from using the same wages paid to an individual with a disability for both a deduction and a tax credit;
- (2) Repealing section 235-55.91, Hawaii Revised Statutes, which provides a tax credit for taxpayers who hire vocational rehabilitation referrals; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2478, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2478, 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, 2 (Kidani, Slom).

**SCRep. 2975 (Joint) Public Safety, Intergovernmental and Military Affairs and Education on H.B. No. 1868**

The purpose and intent of this measure is to strengthen public safety in Hawaii by authorizing the issuance of general obligation bonds to fund the retrofitting of public school facilities so that they can also be used as emergency shelters.

Your Committees received testimony in support of this measure from the Department of Education and Disability and Communication Access Board.

Your Committees find that in the event of a natural disaster or other emergency, the State's citizens may need to evacuate to shelters that can withstand the dangers associated with such natural disasters or emergencies. The retrofitting of public school facilities to meet the standards of emergency shelters is critical to the State, especially people with disabilities and other access and functional needs, whose mobility and safety may depend largely upon the design and accessibility of emergency shelters.

Your Committees request that the Department of Education make a recommendation to the Legislature regarding an appropriation amount to fund the retrofitting of public school buildings so that they can be used as emergency shelters.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1868 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

Education  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 2976 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.R. No. 20**

The purpose and intent of this measure is to honor the State's fallen emergency first responders and Good Samaritans by requesting the construction of a Hawaii Emergency Responder and Good Samaritan Memorial on the grounds of the State Capitol.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, Maui County Paramedics Association, and nine individuals. Your Committees received comments on this measure from one individual.

Your Committees find that numerous states and municipalities have firefighter, emergency medical technician, or lifeguard memorials. Despite the various memorials in Hawaii, not all emergency first responders who have lost their lives in the line of duty are covered by these memorials. Furthermore, Good Samaritans also make the ultimate sacrifice of their lives in service to their communities. To recognize the service of these individuals, this measure honors emergency first responders and Good Samaritans who have sacrificed their lives by establishing a Hawaii Emergency Responder and Good Samaritan Memorial, at the direction of the Department of Accounting and General Services, working alongside the Hawaii Emergency Medical Services Association and other interested organizations.

Your Committees have amended this measure by:

- (1) Inserting the name of the National EMS Memorial Service's planned aeromedical memorial;
- (2) Amending the listed location of the National EMS Memorial Service's planned aeromedical memorial to Littleton, Colorado; and
- (3) 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 Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 20, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 20, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2977 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.C.R. No. 45**

The purpose and intent of this measure is to honor the State's fallen emergency first responders and Good Samaritans by requesting the construction of a Hawaii Emergency Responder and Good Samaritan Memorial on the grounds of the State Capitol.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, Maui County Paramedics Association, and nine individuals. Your Committees received comments on this measure from one individual.

Your Committees find that numerous states and municipalities have firefighter, emergency medical technician, or lifeguard memorials. Despite the various memorials in Hawaii, not all emergency first responders who have lost their lives in the line of duty are covered by these memorials. Furthermore, Good Samaritans also make the ultimate sacrifice of their lives in service to their communities. To recognize the service of these individuals, this measure honors emergency first responders and Good Samaritans who have sacrificed their lives by establishing a Hawaii Emergency Responder and Good Samaritan Memorial, at the direction of the Department of Accounting and General Services, working alongside the Hawaii Emergency Medical Services Association and other interested organizations.

Your Committees have amended this measure by:

- (1) Inserting the name of the National EMS Memorial Service's planned aeromedical memorial;
- (2) Amending the listed location of the National EMS Memorial Service's planned aeromedical memorial to Littleton, Colorado; and
- (3) 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 Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 45, 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. 45, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 2978 Judiciary and Labor on H.B. No. 1669**

The purpose and intent of this measure is to fund additional court positions, including one permanent full-time equivalent Family Court Judge position, two permanent full-time equivalent Circuit Court Clerk II positions, and one permanent full-time equivalent Court Bailiff position in the Family Court of the First Circuit.

Your Committee received testimony in support of this measure from the Judiciary, Office of the Public Defender, Family Law Section of the Hawaii State Bar Association, Domestic Violence Action Center, and nine individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that the Hawaii Family Court lacks sufficient financial resources to meet the growing demands placed on it by the public. Family Court receives more motions and cases than any other court in the State. In 2013, the three Domestic Division Judges handled approximately four thousand divorce and custody cases, the four Juvenile Division Judges handled over two thousand one hundred juvenile and child abuse cases, and the three Special Division Judges handled eleven thousand five hundred restraining order, paternity, adoption, involuntary commitment, and guardianship hearings. As a result, in 2013, for example, the wait time for a post-decree divorce motion hearing was five months. By providing funding for an additional judge and appropriate staff complement, this measure will assist in decreasing the delays and expenses in Family Court litigation and provide judges adequate time to resolve the cases and disputes.

Your Committee notes the testimony submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu that requests the funds appropriated under this measure be provided to the Family Court's Criminal Division of the First Circuit to conduct jury trials for misdemeanor domestic violence cases. The Department testified that a certain level of importance be given to domestic violence cases because many domestic violence victims are willing to proceed with prosecution but face delays and setbacks due to the backlog of cases and motions. However, your Committee agrees with the testimony from the Judiciary that domestic violence is an issue that runs through all of the divisions of Family Court, not only the Criminal Division. As such, your Committee

believes that funds should be appropriated for the benefit of the Family Court of the First Circuit as a whole, rather than for the benefit of a specified division.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1669, 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, 6. Noes, none. Excused, 1 (Solomon).

**SCRep. 2979 Judiciary and Labor on H.B. No. 2264**

The purpose and intent of this measure is to allow the Employees' Retirement System to retain or dispose of real estate acquired by the Employees' Retirement System by foreclosure, in the enforcement of security, or in satisfaction of debts in the same manner as the System's other investments in interest in real property.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Employees' Retirement System.

Your Committee finds that existing law requires the Board of Trustees of the Employees' Retirement System to sell real estate acquired by foreclosure, in the enforcement of security, or in satisfaction of debts within five years after acquisition unless extended by the Governor. The Employees' Retirement System testified that there are no restrictions on the holding period for the other real estate investments of the System. This measure repeals the mandatory holding period for real estate acquired through foreclosure, enforcement of security, or in satisfaction of debts to allow the Board to make long-range plans for the affected property that are necessary for the prudent management of the System's real estate portfolio.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2264, 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 (Galuteria, Ihara, Shimabukuro).

**SCRep. 2980 Judiciary and Labor on H.B. No. 1635**

The purpose and intent of this measure is to:

- (1) Require the salary of the Administrative Director of the Courts to be equal to the salary of the Administrative Director of the State; and
- (2) Require the salary of the Deputy Administrative Director of the Courts to be equal to ninety-five percent of the salary of the Administrative Director of the Courts.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that when the voters ratified the constitutional amendment and the Legislature passed the implementing legislation that created the Commission on Salaries, the positions of Administrative Director of the Courts and Deputy Administrative Director of the Courts were inadvertently left out. As a result, the Judiciary testified that these two positions were left without a mechanism for the review and adjustment of their salaries. This measure corrects this inadvertent omission by linking the salary of the Administrative Director of the Courts to the Executive Branch's tier 1 salary level, which is most similar in scope and function to the Judiciary's administrative officers, and thereby indirectly linking the salary of the Deputy Administrative Director of the Courts to the tier 1 salary level as well.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1635, 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 (Galuteria, Ihara, Shimabukuro).

**SCRep. 2981 Judiciary and Labor on H.B. No. 1634**

The purpose and intent of this measure is to clarify the scope of the Uniform Mediation Act.

Your Committee received testimony in support of this measure from the Judiciary and Commission to Promote Uniform Legislation.

Your Committee finds that the Uniform Mediation Act under chapter 658H, Hawaii Revised Statutes, does not apply to a mediation conducted by a judge who might make a ruling on a case. The Judiciary testified that in reviewing the impact of the Uniform Mediation Act on existing court rules and procedures, it found instances where a judge may be assigned to a particular case but will not issue a ruling in the case. For example, in Circuit Court, a presiding judge may enlist another judge to conduct a settlement conference in the pending court case. While these types of settlement conferences are usually not considered mediation, the Judiciary expressed concern that the broad language of the Uniform Mediation Act may include these types of settlement conferences as mediation. This measure clarifies the scope of the Uniform Mediation Act by excluding mediation conducted by a judge on a case.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1634, 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 (Galuteria, Ihara, Shimabukuro).

**SCRep. 2982      Judiciary and Labor on H.B. No. 1650**

The purpose and intent of this measure is to make necessary technical corrections to Hawaii law by amending or repealing various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii to correct errors and references, clarify language, and delete obsolete or unnecessary provisions.

Your Committee received testimony in support of this measure from the Legislative Reference Bureau.

Your Committee finds that this measure is a statutory revision measure that was prepared and submitted by the Legislative Reference Bureau pursuant to its statutory revision responsibilities under chapter 23G, Hawaii Revised Statutes. The Legislative Reference Bureau testified that all of the amendments in this measure are intended to be technical in nature to correct errors, omissions, or obsolete law and are not intended to make any substantive changes to the law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1650, 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 (Galuteria, Ihara, Shimabukuro).

**SCRep. 2983      Judiciary and Labor on H.B. No. 420**

The purpose and intent of this measure is to propose a constitutional amendment to require the Judicial Selection Commission to publicly disclose the names of all nominees to fill a vacancy in the Office of the Chief Justice, Supreme Court, Intermediate Appellate Court, Circuit Courts, or District Courts when presenting those names to the Governor or Chief Justice.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii and one individual. Your Committee received testimony in opposition to this measure from the Department of the Attorney General. Your Committee received comments on this measure from the Judicial Selection Commission.

Your Committee finds that on November 15, 2011, the Judicial Selection Commission amended its rules to disclose the list of judicial nominees to the public at the same time the names are transmitted to the Governor or Chief Justice, as applicable, to appoint a justice or judge to fill a vacancy on the state bench. This measure adopts this rule change by amending the Hawaii State Constitution to explicitly require the disclosure of the names of the judicial candidates, thereby increasing the transparency of the judicial selection process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 420, 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, 4. Noes, none. Excused, 3 (Galuteria, Ihara, Shimabukuro).

**SCRep. 2984      Judiciary and Labor on H.B. No. 1780**

The purpose and intent of this measure is to fund ten permanent full-time equivalent positions within the Child Support Enforcement Agency, which is a division of the Department of the Attorney General.

Your Committee received testimony in support of this measure from the Department of the Attorney General. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that federal regulations require that each state maintain a base level amount of expenditures for its child support program. Accordingly, the Child Support Enforcement Agency requires a "maintenance of effort" of \$5,546,266 annually to meet the minimum standards necessary to carry out its statutory duties. If Hawaii does not meet this base amount of spending, additional federal funding is jeopardized. However, Hawaii is dangerously close to being unable to meet these minimum standards because of continuous funding cuts to its programs. For example, in 2012, several positions within the Child Support Enforcement Agency were abolished. This measure reestablishes ten positions for the Child Support Enforcement Agency to more efficiently deal with increasingly complex cases and help the Agency carry out its mission and meet its minimum standards for additional federal funding.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1780, 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, 6. Noes, none. Excused, 1 (Solomon).

**SCRep. 2985      (Majority) Judiciary and Labor on H.B. No. 1958**

The purpose and intent of this measure is to:

- (1) Amend the prevailing wage law to allow for payment of overtime compensation on public works contracts to exceed time and a half; and
- (2) Establish the rate for overtime compensation as the rate specified in a collective bargaining agreement if the basic hourly rate is based on such agreement.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; United Public Workers, AFSCME Local 646, AFL-CIO; Hawaii Operating Engineers Industry Stabilization Fund; and Hawaii Construction Alliance.

Your Committee finds that overtime compensation for public works is based on one and one-half times the laborer's or mechanic's basic hourly rate of pay plus the cost to an employer of furnishing a laborer or mechanic with fringe benefits. This measure provides flexibility in the payment of overtime to allow overtime compensation to exceed time and a half. Furthermore, this measure establishes the rate for overtime compensation as the rate specified in a collective bargaining agreement if the basic hourly rate is based on such agreement to create parity between a union contractor and non-union contractor.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of Labor and Industrial Relations to specify under the definition of "overtime compensation" that if the Department determines that the prevailing wage is determined by a group represented by collective bargaining, then the overtime and any other premium rather shall be at the same rates set by the collective bargaining agreement; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1958, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1958, 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, 3 (Galuteria, Ihara, Shimabukuro).

**SCRep. 2986 Judiciary and Labor on H.B. No. 2590**

The purpose and intent of this measure is to increase voter participation by allowing late voter registration at absentee polling places and on the day of election at polling precincts. Specifically, this measure:

- (1) Beginning on January 1, 2016, permits a person who is eligible, but not registered to vote, to register to vote by appearing in person ten or more days prior to the day of the election at any absentee polling place in the county associated with the person's residence or, beginning on January 1, 2018, on the day of the election at the polling place in the precinct associated with the person's residence;
- (2) Authorizes the county clerk to designate a registration clerk, who may be an election official, at each of the absentee polling places prior to the day of the election and at each of the polling places on the day of the election to process registration applications for persons not registered to vote;
- (3) Requires a late registration voter to sign an affidavit affirming the voter's qualification to vote and submit evidence of residence that is substantiated by certain types of documents;
- (4) Allows late voter registration to be challenged in accordance with section 11-25, Hawaii Revised Statutes;
- (5) Allows late voter registration to be used by a registered voter whose name cannot be found on the precinct list for the polling place associated with the voter's residence;
- (6) Requires the county clerk to add properly registered voters to the respective general county register and to mail a notice to the registered voter within thirty days of registration, which shall serve as prima facie evidence that the person is a registered voter as of the date of registration;
- (7) Appropriates an unspecified amount out of the federal funds awarded to the State from the Help America Vote Act of 2002 for fiscal year 2014-2015, for the counties to implement late voter registration, including upgrading the registration process by purchasing electronic poll books; and
- (8) Appropriates an unspecified amount from the general fund for fiscal year 2014-2015, for the counties to implement late voter registration, including upgrading the registration process by purchasing electronic poll books.

Your Committee received testimony in support of this measure from the Office of Elections, Office of Hawaiian Affairs, Americans for Democratic Action/Hawaii, Common Cause Hawaii, League of Women Voters of Hawaii, and four individuals. Your Committee received testimony in opposition to this measure from the Office of the City Clerk, City and County of Honolulu; and one individual. Your Committee received comments on this measure from the Office of the County Clerk, County of Maui; and Office of the County Clerk, County of Kauai.

Your Committee finds that Hawaii has the lowest voter turnout in the nation. According to Common Cause Hawaii, the existing voter registration favors individuals who are interested in politics and are motivated to plan far in advance to register to vote. The existing law requires eligible voters to register to vote no later than thirty days prior to the day of an election. This registration deadline is seen by eligible, but unregistered voters as a hurdle to turn out and vote. Thus, this measure assists in increasing voter turnout by allowing a person to register to vote at an absentee polling place ten or more days prior to the day of election beginning in 2016 or on the day of an election at a precinct polling place beginning in 2018.

Your Committee notes the concerns raised by the county clerks that this measure will require additional funding, staff, and training, and upgrades in its computer systems to appropriately implement this measure. Your Committee believes that these concerns merit further discussion by your Committee on Ways and Means.

Your Committee has amended this measure by adopting the language suggested by the Office of Elections to:

- (1) Require a late registration voter to submit evidence of proof of identity, rather than residence, that is substantiated by certain types of documents;
- (2) Delete the appropriation from the federal funds awarded to the State from the Help America Vote Act of 2002 for fiscal year 2014-2015 for the counties to implement late voter registration; and
- (3) Delete the repeal and reenactment of section 15-7, Hawaii Revised Statutes, to continue to allow late voter registration at absentee polling places prior to the day of election after December 31, 2017.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2590, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2590, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Gabbard, Solomon).

**SCRep. 2987 (Joint) Education and Human Services on S.C.R. No. 51**

The purpose and intent of this measure is to request:

- (1) The Department of Education to administer a youth risk behavior survey to students in grades six to twelve attending public schools, including charter schools; and
- (2) Private schools to administer a youth risk behavior survey to students in grades six to twelve.

Your Committees received testimony in support of this measure from the Department of Education, Department of Health, Hawaii Youth Services Network, Planned Parenthood of Hawaii, Hui for Excellence in Education, and one individual.

Your Committees find that more information is needed about youth behavior and health in order to assess the leading factors of death, disability, and health complications among youth and to improve health education programs.

Your Committees further find that the United States Department of Health and Human Services, Centers for Disease Control and Prevention developed the Youth Risk Behavior Surveillance System to collect data about youth behavior and health, and one vital part of the Youth Risk Behavior Surveillance System is a nationwide school-based surveying effort using the Youth Risk Behavior Survey to monitor students' health risks and behaviors. This measure will help collect important data about a large portion of Hawaii's youth.

Your Committees have amended this measure by:

- (1) Amending its title to read: "REQUESTING THE ADMINISTRATION OF THE YOUTH RISK BEHAVIOR SURVEY TO STUDENTS IN GRADES SIX TO TWELVE IN SELECT SCHOOLS.";
- (2) Clarifying that the administration of the Youth Risk Behavior Survey be administered in select public schools, including select charter schools, rather than in every school; and
- (3) 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 Education and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 51, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 51, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Education

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

Human Services

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

**SCRep. 2988 (Joint/Majority) Economic Development, Government Operations and Housing and Technology and the Arts on H.B. No. 2282**

The purpose and intent of this measure is to:

- (1) Add the receipt of Phase II or III Small Business Innovation Research awards or contracts from any participating federal agency to the qualifying criteria for businesses to receive grants from the High Technology Development Corporation; and
- (2) Increase the ceiling on single transfers from the Hawaii capital loan revolving fund from \$100,000 to an unspecified amount.

Your Committees received testimony in support of this measure from the High Technology Development Corporation; Chamber of Commerce Hawaii; Spectrum Photonics, Inc.; Oceanit; and TeraSys Technologies.

Your Committees find that since 1989, the High Technology Development Corporation has been assisting Phase I Small Business Innovation Research companies that have been awarded a grant reach their commercial potential. This has proven to be successful for the business awarded the grant and the State, given that every dollar invested through this grant program has been leveraged to attract approximately \$16 in federal funds as well as commercialization funding. Expanding the scope of the grant program will allow for more companies to achieve commercialization and increase the beneficial economic impacts of this program to the State.

Your Committees have amended this measure by:

- (1) Inserting language to reestablish the High Technology Innovation Corporation, including establishing:

- (A) The purpose of the High Technology Innovation Corporation;
  - (B) The Board of Directors of the High Technology Innovation Corporation;
  - (C) Exemptions from certain state laws;
  - (D) Officers and employees of the High Technology Innovation Corporation;
  - (E) Annual reporting requirements; and
  - (F) Procedures regarding dissolution; patents, copyrights, and other rights; and contracts with state agencies;
- (2) Inserting language to change the name of the High Technology Development Corporation to the "Hawaii Technology Development Corporation"; and
  - (3) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2282, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2282, 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.

Economic Development, Government Operations and Housing  
Ayes, 3. Noes, 1 (Thielen). Excused, 3 (Baker, English, Wakai).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

**SCRep. 2989 Economic Development, Government Operations and Housing on H.B. No. 2338**

The purpose and intent of this measure is to:

- (1) Clarify that the tax credit for research activities is not available for research conducted outside of the State;
- (2) Eliminate the requirement that the Department of Taxation certify all research credit claims; and
- (3) Clarify that failure of the taxpayer to submit the required survey to the Department of Business, Economic Development, and Tourism is a waiver of the right to claim the research credit.

Your Committee received testimony in support of this measure from the Department of Taxation and High Technology Development Corporation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that Act 270, Session Laws of Hawaii 2013, reenacted the Hawaii tax credit for research activities for taxable years from 2013 to 2019. Act 270 required that a cost be incurred in Hawaii in order to qualify for the tax credit. However, requiring research costs to be incurred in Hawaii does not necessarily require research to be conducted in Hawaii. For example, a contract that is negotiated and signed in Hawaii can be classified as incurred in Hawaii, even if the research conducted pursuant to the contract is performed in another state. This measure clarifies Act 270 so that any qualified research must be conducted in the State in order to qualify for the tax credit.

Your Committee further finds that this measure eliminates the requirement that the taxpayer obtain a certification from the Department of Taxation concerning its claim for the credit because the certification requirement can create a false impression that by certifying the credit, the Department has audited and validated the taxpayer's claims. Instead, this measure imposes a substantive penalty for not providing the mandatory survey from the taxpayer to the Department of Business, Economic Development, and Tourism.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage 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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2338, 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, English, Wakai).

**SCRep. 2990 Commerce and Consumer Protection on H.B. No. 2031**

The purpose and intent of this measure is to require licensed marriage and family therapists in Hawaii to complete a minimum of forty-five credit hours of continuing education courses during each licensing renewal triennium, beginning January 1, 2017.

Your Committee received testimony in support of this measure from the Marriage and Family Therapists Program of the Department of Commerce and Consumer Affairs and fifteen individuals.

Your Committee finds that Hawaii is one of only two states that do not currently require continuing education credits for licensed marriage and family therapists. Continuing education ensures that licensed marriage and family therapists have access to best practices

and innovations in the marriage and family therapy field and can continue to provide quality services to a wide array of clients. Your Committee further finds that the continuing education requirements in this measure will ensure that licensed marriage and family therapists in Hawaii maintain their professional competency and keep abreast of the latest developments in the marriage and family therapy profession.

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. 2031, 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 (Wakai, Slom).

**SCRep. 2991 (Joint) Human Services and Commerce and Consumer Protection on H.B. No. 2115**

The purpose and intent of this measure is to require Med-QUEST and Medicaid to cover the cost of chiropractic services, limited to twenty-four visits per calendar year.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association and Hawaii State Chiropractic Association. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that more than twenty-five states include chiropractic care in their Medicaid programs, and the Centers for Medicare and Medicaid Services list chiropractic as a pre-approved service for Medicaid. Your Committees further find that chiropractic services can help improve physical health, increase functional capacity, and prevent disabling conditions. Your Committees note that there was a significant difference between the amounts deemed necessary by the Department of Human Services and the Hawaii State Chiropractic Association, in their respective testimony, to fund the additional services proposed by this measure.

Your Committees have amended this measure by:

- (1) Substituting the term "QUEST Integration" for all references to QUEST to reflect the combination of two programs within the Department of Human Services; and
- (2) 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 H.B. No. 2115, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2115, 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.  
Human Services  
Ayes, 4. Noes, none. Excused, 1 (Green).  
Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 2992 Human Services on H.B. No. 2243**

The purpose and intent of this measure is to allow qualified entities to request state and national fingerprint-based criminal history record checks on their applicants, employees, and volunteers who provide care for children, vulnerable adults, or individuals with disabilities, and to receive the results directly.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Human Services, and one individual.

Your Committee finds that Section 5119a of the National Child Protection Act of 1993, Public Law No. 103-209, as amended, authorizes public, private, nonprofit, or for-profit entities to submit requests for fingerprint-based criminal history record checks on their applicants, employees, and volunteers who provide care to children, vulnerable adults, or individuals with disabilities. Generally, an authorized government agency must receive the results and make the suitability determination. This measure will allow information to be provided directly to a non-government agency upon receipt of a waiver from the individual on whom the criminal history record check is being run. Your Committee finds that this measure will allow Hawaii's qualified entities to make better and faster decisions in situations that may affect the safety and well-being of Hawaii's children, the elderly, and individuals with disabilities.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2243, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2243, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 2993 Human Services on H.B. No. 1841**

The purpose and intent of this measure is to provide an additional housing resource for homeless families and individuals in Hawaii by establishing the Hale Kokua program and appropriating funds for the program.



Your Committee received testimony in support of this measure from the Community Alliance for Mental Health and three individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services. Your Committee received comments on this measure from Catholic Charities Hawaii and PHOCUSED.

Your Committee finds that homelessness persists as one of the State's primary challenges, with about forty-five out of every ten thousand individuals being homeless. Your Committee further finds that the Hale Kokua program existed for over twelve years and assisted the homeless by incentivizing property owners to set aside existing rental space or separate dwelling units to rent to families or individuals classified as employed but homeless. The Hale Kokua program was repealed in 2010. Your Committee received testimony expressing concern that the Hale Kokua program as established in this measure includes onerous and detailed requirements for the Department of Human Services or a contracted vendor and would require a substantial amount of additional resources.

Your Committee has amended this measure by:

- (1) Removing the Hale Kokua program from under the housing first program and establishing it as a separate program, with its own Administrator, because the two programs are not compatible as they are designed to serve different populations;
- (2) Removing the requirement that a homeowner must set aside an existing dwelling unit for a period of five years to participate in the Hale Kokua program;
- (3) Inserting language to include in the Hale Kokua program families or individuals who have steady income from a government source;
- (4) Removing the provision exempting contracts entered into by the Department of Human Services pursuant to the Hale Kokua program from civil service and collective bargaining laws;
- (5) Inserting language requiring the Hale Kokua program to be carried out utilizing the rapid re-housing model;
- (6) Removing many of the specific duties assigned to the Department of Human Services or a contracted agency in relation to the Hale Kokua program;
- (7) Removing language that specifies how property owners would receive financial compensation for participating in the Hale Kokua program;
- (8) Amending the appropriation so that general revenues are provided directly to the Homeless Programs Office of the Department of Human Services instead of to the housing first special fund; and
- (9) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1841, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1841, 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 (Kidani). Noes, none. Excused, 1 (Green).

#### **SCRep. 2994 Transportation and International Affairs on H.B. No. 1509**

The purpose and intent of this measure is to:

- (1) Repeal the current penalties for violating the law on mobile electronic devices and instead establish a minimum fine of \$250, to be deposited into the state highway fund; and
- (2) Repeal the provision that specifies a violation shall not be deemed a traffic violation, thereby making the violation eligible for expedited traffic violation adjudication procedures.

Your Committee received testimony in support of this measure from the Department of Transportation and ten individuals.

Your Committee finds that after the passage of Act 74, Session Laws of Hawaii 2013, which enacted the mobile electronic devices law (codified as section 291C-137, Hawaii Revised Statutes), the Legislature received numerous complaints from the public about the vagueness and ambiguity of the law and the onerous burden of violators having to make a court appearance. Particularly on the neighbor islands, a person is likely to have to travel many miles to appear in court and wait for the case to be called, which consumes a whole day's worth of time.

Your Committee finds that it was never the intent of the Legislature that violators be forced to appear in court rather than mail in the fine without a court appearance, as allowed under chapter 291D, Hawaii Revised Statutes, relating to adjudication of traffic violations. Your Committee further finds that the existing law is fraught with traps for those who use mobile electronic devices in situations that are within the realm of safe driving to a reasonable person.

Your Committee wishes to make clear that it is not the intent of your Committee to jeopardize federal highway funds by way of distracted driving grants. More particularly, the Code of Federal Regulations require as a qualification for receiving grant monies that there be a system of increased fines for repeat violations by drivers younger than eighteen years of age. Your Committee believes that the federal rule makes sense in light of the prevalence of cell phone use by minors while driving. Furthermore, the federal rules are silent on requiring any court appearance for a violation.

Your Committee believes that monetary penalties must be a flat amount in order for violators to be able to mail in the fine in lieu of making a court appearance, as provided in section 291D-6, Hawaii Revised Statutes, relating to mail-in procedures for adjudication of traffic infractions.

Your Committee has amended this measure by deleting its contents and inserting the contents of its companion measure, S.B. No. 2729, S.D. 2, which:

- (1) Prohibits any person from operating a motor vehicle while using a mobile electronic device by holding the device in the person's hand for the purpose of making or receiving a non-emergency call, texting, or receiving a text message, or to activate, deactivate, or initiate a function of the device;
- (2) Provides an exemption for drivers of vehicles that are at a complete stop, whether or not the engine is running, in a safe location by the side of the road out of the way of traffic;
- (3) Clarifies the definition of "operate";
- (4) Adds a definition of "texting";
- (5) Clarifies the definition of "use" or "using";
- (6) Establishes a fine of \$200, which applies to all persons but, for persons under the age of eighteen, increases to \$300 for a second offense and \$400 for a third and subsequent offense;
- (7) Establishes a fine of \$400 for a violation in a school zone or construction area; and
- (8) Specifies that a violation shall be deemed to be a traffic infraction, which allows for mail-in of the fine, rather than a court appearance.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1509, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1509, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Gabbard). Noes, none. Excused, 2 (Kouchi, Slom).

**SCRep. 2995 (Majority) Higher Education on H.B. No. 1855**

The purpose and intent of this measure is to prohibit the sale or gift of the University of Hawaii at West Oahu land acquired pursuant to Act 294, Session Laws of Hawaii 1996 (Act 294), without the prior consent of the Legislature.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the University of Hawai'i System. Your Committee received comments on this measure from the Hawaii Operating Engineers Industry Stabilization Fund.

Your Committee finds that while the University of Hawaii West Oahu campus has grown and continues to grow, there remains significant acreage of land that could be used for revenue-generating purposes since the University of Hawaii System does not currently have any concrete plans for this land.

Your Committee further finds that the disposition of land with the potential for revenue generation is an issue of statewide concern.

Your Committee has amended this measure by:

- (1) Deleting language prohibiting the sale or gift of the University of Hawaii at West Oahu land acquired pursuant to Act 294 without the prior consent of the Legislature;
- (2) Adding language prohibiting the sale or gift of the University of Hawaii at West Oahu land acquired pursuant to Act 294 for a period of two years;
- (3) Adding language requiring the University of Hawaii to report to the Legislature, no later than twenty days prior to the convening of the Regular Session of 2016, its updated policy on land sales and its plan for the University of Hawaii at West Oahu land acquired pursuant to Act 294;
- (4) Making this measure effective upon its approval, with a sunset date of June 30, 2016; and
- (5) 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 is in accord with the intent and purpose of H.B. No. 1855, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1855, 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 (Keith-Agaran). Noes, 1 (Kidani). Excused, 3 (Ige, Tokuda, Slom).

**SCRep. 2996 Energy and Environment on H.B. No. 2312**

The purpose and intent of this measure is to change the amount of the environmental response, energy, and food security tax, also known as the barrel tax, that shall be deposited into the environmental response revolving fund from 5 cents of the tax on each barrel to an unspecified amount to support environmental activities and programs.

Your Committee received testimony in support of this measure from the Department of Health; Department of Business, Economic Development, and Tourism; Hawaii Energy Policy Forum; The Nature Conservancy of Hawaii; and Hawaii's Thousand Friends. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Department of Health receives 5 cents from the \$1.05 barrel tax, levied on barrels of crude oil imported into the State. These monies are deposited into the environmental response revolving fund, which supports oil spill response and environmental clean ups. However, the environmental response revolving fund balance is dangerously low due to reduced consumption of crude oil, while the demand for hazard evaluation and response has increased in recent years due to events like the Tohoku earthquake and tsunami, Honolulu Harbor molasses spill, and several ground soil contaminations. It is essential to protect Hawaii's beaches from oil pollution and protect Hawaii's residents and visitors from contamination by harmful chemical and other hazardous material contaminants.

Your Committee has amended this measure by:

- (1) Amending language in section 1 to clarify the purpose of this measure;
- (2) Inserting language to re-establish the energy systems development special fund;
- (3) Clarifying that the Hawaii Natural Energy Institute shall administer the energy systems development special fund and may expend revenues of the special fund for certain activities;
- (4) Inserting language to require evaluations of the projects and activities funded by the energy systems development special fund;
- (5) Inserting language requiring the Hawaii Natural Energy Institute to develop a plan of action in coordination with the State Energy Resources Coordinator that are consistent with the State's energy programs;
- (6) Inserting language to extend the sunset date of the environmental response, energy, and food security tax to June 30, 2030;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2312, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2312, 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 (Ihara, Slom).

**SCRep. 2997 (Joint) Higher Education and Agriculture on H.B. No. 2007**

The purpose and intent of this measure is to appropriate funds to the local and immigrant farmer education program of the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources Cooperative Extension Service to support the growth and sustainability of the State's agriculture industry.

Your Committees received testimony in support of this measure from the University of Hawai'i at Manoa College of Tropical Agriculture and Human Resources, Hawai'i Farm Bureau Federation, Ulupono Initiative, and seven individuals.

Your Committees find that the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources Cooperative Extension Service has developed the local and immigrant farmer education program to provide useful, hands-on, quality extension education to Hawaii's underserved and socially disadvantaged agriculture producers. This measure will provide funding to support the continuation of this vital program.

If this measure is considered for passage by your Committee on Ways and Means, your Committees note that the local and immigrant farmer education program will need \$150,000.

Your Committees have amended this measure by inserting an effective date of July 1, 2014.

As affirmed by the records of votes of the members of your Committees on Higher Education and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2007, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2007, 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.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

Agriculture

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Thielen).

**SCRep. 2998 Health on H.B. No. 1880**

The purpose and intent of this measure is to:

- (1) Allow podiatric physicians who are board qualified or board certified in reconstructive rearfoot ankle surgery by the American Board of Podiatric Surgery and have completed a thirty-six-month podiatric surgical residency to perform ankle fracture surgery; and
- (2) Conform the definition of "podiatric medicine" to national standards regarding diagnosis and treatment of the foot and ankle.

Your Committee received testimony in support of this measure from the Hawaii Medical Board; Hawaii Medical Association; American Podiatric Medical Association; Surgical Associates, Inc.; Kokua Kalihi Valley Comprehensive Family Services; and several individuals.

Your Committee finds that podiatrists have become primary providers of foot and ankle surgery. Your Committee further finds that due to the physician shortage in Hawaii, many patients on neighbor islands must fly to Oahu to have surgery for ankle fractures. This measure recognizes the current standard of training and ability of podiatric physicians and helps podiatric physicians to ensure comprehensive care and services for their patients.

Your Committee has amended this measure by making the measure effective 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. 1880, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1880, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 2999 Health on H.B. No. 2039**

The purpose and intent of this measure is to appropriate funds to the Department of Health for the comprehensive breast and cervical cancer control program.

Your Committee received testimony in support of this measure from the Department of Health, American Cancer Society Cancer Action Network, Planned Parenthood, The Queen's Health Systems, Hawaii Medical Association, American Association of Nurse Practitioners, and one individual.

Your Committee finds that the comprehensive breast and cervical cancer control program provides valuable screening for breast and cervical cancer to women in Hawaii. Early diagnosis of breast and cervical cancer can help women seek the appropriate treatment needed, as well as identify any risk factors that may contribute to breast and cervical cancer.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2014; and
- (2) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2039, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2039, 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, 2 (Nishihara, Slom).

**SCRep. 3000 (Majority) Health on H.B. No. 1849**

The purpose and intent of this measure is to reduce the excise tax rate on large cigars from fifty percent of the wholesale price to the lesser of:

- (1) 50 cents for each large cigar; or
- (2) Fifty percent of the wholesale price of each large cigar.

Your Committee received testimony in support of this measure from the Hawaii Cigar Association; Cigar Association of America, Inc.; Hawaii Food Industry Association; and several individuals. Your Committee received testimony in opposition to this measure from the American Cancer Society Cancer Action Network; American Lung Association; Hawaii COPD Coalition; American Heart Association; Coalition for a Tobacco-Free Hawaii; and several individuals. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and several individuals.

Your Committee finds that it is important to create fair tax revenue standards for Hawaii's businesses, which include cigar wholesalers and dealers.

Your Committee has amended this measure by:

- (1) Inserting blank amounts for the excise tax on large cigars;
- (2) Inserting a definition of "premium cigar" into section 328J-1, Hawaii Revised Statutes;
- (3) Exempting the sale of premium cigars from the direct, face-to-face restriction in section 328J-18, Hawaii Revised Statutes; and
- (4) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1849, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1849, 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, 2; Ayes with Reservations (Chun Oakland). Noes, 1 (Baker). Excused, 2 (Nishihara, Slom).

**SCRep. 3001 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on H.B. No. 2246**

The purpose and intent of this measure is to promote state compliance with federal firearm regulations by:

- (1) Providing for a court-based program for persons federally prohibited from owning a firearm based on a finding of mental illness or civil commitment whereby the persons may petition for relief from the federal firearm prohibitor; and

- (2) Requiring courts to provide information relating to involuntary civil commitments to the Hawaii Criminal Justice Data Center for use by law enforcement officials for firearms permitting or registration and for submission to the Federal Bureau of Investigation National Instant Criminal Background Check System (NICS) database for gun control purposes.

Your Committees received testimony in support of this measure from the Department of Health and Department of the Attorney General.

Your Committees find that NICS is a federal database that uses information provided by states to identify individuals who are federally prohibited from possessing a firearm. Your Committees further find that Hawaii currently does not provide information on adjudicated civil commitments to NICS because state law prohibits the disclosure of this information. This measure will promote public safety and individual rights by permitting the courts to share information with law enforcement agencies responsible for approving requests for firearm permits and registrations and contribute to the national database in order to promote gun control and public safety throughout the nation.

Your Committees note that the burden of proof to show that an individual no longer suffers from the condition that resulted in civil commitment is unclear. Under section 334-60.5, Hawaii Revised Statutes, an individual can be civilly committed only when it is determined "beyond a reasonable doubt" that the individual is mentally ill or abusing substances, and "by clear and convincing evidence" that the person is imminently dangerous to self and others. Your Committees further note that the Department of the Attorney General supports the "clear and convincing evidence" standard of proof because state law currently requires such a standard of proof when involuntarily hospitalizing a person pursuant to Hawaii's civil commitment statute.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2246, H.D. 1, and recommend that it pass Second Reading and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 3002 (Joint) Health and Commerce and Consumer Protection on H.B. No. 1723**

The purpose and intent of this measure is to streamline the notification process prior to the discharge of a patient civilly committed. Specifically, this measure:

- (1) Requires the administrator or attending physician of a psychiatric facility to provide notice of intent to discharge a patient or notice of the patient's admission to voluntary treatment;
- (2) Applies section 334-60.7, Hawaii Revised Statutes, to only civil commitments as a direct result of legal proceedings;
- (3) Requires the notice of intent to discharge or patient's admission to voluntary treatment to be served by mail to the appropriate prosecuting attorney and to any person entitled to receive notice at the person's last known address, unless the person waives this right in writing;
- (4) Increases from three to five days the period of time after mailing of the notice within which an objection must be filed or the administrator or attending physician shall discharge or accept the patient for voluntary inpatient treatment; and
- (5) Requires courts to conduct hearings as soon as possible, and prior to the termination of the current commitment order, to determine if the patient still meets the criteria for involuntary hospitalization.

Your Committees received testimony in support of this measure from the Department of Health; Healthcare Association of Hawaii; Department of the Prosecuting Attorney, City and County of Honolulu; The Queen's Health Systems; and one individual.

Your Committees find that patients are remaining involuntarily committed to hospitals due to the difficulty of obtaining a court hearing and order, even after the patient is ready to be discharged. Your Committees further find that while these patients remain involuntarily committed, hospitals are forced to use precious resources that could serve other patients in need. This measure streamlines the notification process prior to discharge of a patient civilly committed after initially being committed pursuant to criminal statutes, allowing for a simplified discharge process while safeguarding the right of individuals who require notification of the patients' discharge to object.

Your Committees have amended this measure by making the measure effective upon approval.

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. 1723, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1723, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 3003 Health on H.B. No. 2092**

The purpose and intent of this measure is to:

- (1) Delete the requirement that the certifying physician of a medical marijuana patient must be the primary care physician;
- (2) Clarify that the Department of Health will issue a registration card, not a certificate, to medical marijuana patients who meet the medical marijuana registration requirements; and
- (3) Specify that the Department of Health shall charge no more than \$35 per year to any medical marijuana patient who registers with the Department of Health to obtain authorization to use marijuana for medical purposes in compliance with the law.

Your Committee received testimony in support of this measure from the American Civil Liberties Union; Community Alliance on Prisons; Effective Change, LLC; Hawaii Whole Person Healing Collective; Hawaiian Standard and Green Futures; and eight individuals. Your Committee received testimony in opposition to this measure from the Police Department, City and County of Honolulu. Your Committee received comments on this measure from the Department of Health and one individual.

Your Committee finds that it is difficult for many individuals to obtain a primary care physician in Hawaii, particularly on the neighbor islands. Due to a shortage of primary care physicians in some areas, individuals who are benefitting from medical marijuana find it difficult to continue to receive a medical recommendation, as do untreated individuals who may benefit from medical marijuana. Furthermore, some insurance providers and physicians are prevented from recommending medical marijuana under federal regulations. This measure expands the number of qualified professionals who may prescribe medical marijuana in Hawaii, which will help patients across the State.

Your Committee has amended this measure by:

- (1) Amending section 329-123, Hawaii Revised Statutes, instead of section 4 of Act 178, Session Laws of Hawaii 2013;
- (2) Reinstating the requirement that the certified physician of a medical marijuana patient must be the primary care physician but also authorizing the certified physician to be a board certified pain specialist physician, ophthalmologist, oncologist, or board certified palliative care physician;
- (3) Adding a definition of primary care physician;
- (4) Deleting language specifying that the Department of Health will issue a registration card and shall charge no more than \$35 per year to any medical marijuana patient; and
- (5) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2092, 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, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3004 (Joint) Human Services and Health on H.B. No. 1934**

The purpose and intent of this measure is to address homelessness by:

- (1) Appropriating funds to the Department of Health for substance abuse treatment, mental health support services, and clean and sober housing services;
- (2) Appropriating funds to the Department of Human Services for a rental assistance program, also known as a shallow subsidy program;
- (3) Appropriating funds to the Department of Human Services to continue to administer housing first programs for chronically homeless individuals and for the homelessness prevention and rapid re-housing program;
- (4) Appropriating matching funds to the Department of Human Services for the federal continuum of care permanent supportive housing programs to provide rental assistance in connection with supportive services;
- (5) Appropriating funds to the Department of Human Services for innovative temporary housing solutions related to the homeless assistance working group's findings and recommendations; and
- (6) Transferring the homeless assistance working group from the Department of Human Services to the Legislature.

Your Committees received testimony in support of this measure from Aloha United Way, Catholic Charities Hawaii, Hawaii Applesseed Center for Law and Economic Justice, Hawaii Primary Care Association, Hawaii Substance Abuse Coalition, Living Life Source Foundation, Partners in Care, PHOCUSED, and five individuals. Your Committees received comments on this measure from the Department of Human Services and Department of Health.

Your Committees find that homelessness is a complex and growing challenge in Hawaii, and that addressing the issue requires a multi-faceted approach. Your Committees recognize that stable housing is a critical component in the continuum of substance abuse treatment and recovery. In addition, it is important to assist homeless families and those in transitional housing that seek permanent rental housing by providing rent subsidies that make permanent housing affordable.

Your Committees further find that housing first programs are essential to moving chronically homeless individuals into permanent housing with wrap-around services. Your Committees also find that providing matching funds for federally funded continuum of care

permanent supportive housing programs would enable over six hundred homeless individuals with disabilities to be re-integrated into the community and maintain housing. Finally, your Committees note the value of innovative temporary housing solutions

Your Committees have amended this measure by:

- (1) Designating the expending agency for the shallow subsidy program as the Hawaii Public Housing Authority instead of the Department of Human Services;
- (2) Inserting provisions that exempt the purchase and construction of innovating housing solutions as they relate to the homeless assistance working group's findings and recommendations from the public procurement code and requiring that such housing be ready for use and fully occupied by December 1, 2014;
- (3) Designating the expending agency for the purchase and construction of innovative housing solutions as they relate to the homeless assistance working group's findings and recommendations as the Hawaii Housing Finance and Development Corporation instead of the Department of Human Services; and
- (4) 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 are in accord with the intent and purpose of H.B. No. 1934, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1934, 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.

Human Services

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

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3005 (Joint) Human Services and Commerce and Consumer Protection on H.B. No. 2094**

The purpose and intent of this measure is to establish initial funding to begin the licensing process for home care agencies by appropriating funds to the Department of Health for one full-time equivalent (1.00 FTE) permanent position.

Your Committees received testimony in support of this measure from the Department of Health, Chamber of Commerce Hawaii, and Healthcare Association of Hawaii.

Your Committees find that many of Hawaii's elderly live alone and face declining mental and physical abilities. Home care agencies are a critical resource that provide care for the State's kupuna. Your Committees further find that it is important to safeguard this population and ensure the safety of individuals receiving care in their home, by licensing home care agencies. Your Committees received testimony from the Department of Health expressing concern that the full-time position created by this measure would be funded through special funds and should instead be funded through general revenues.

Your Committees have amended this measure by:

- (1) Removing references to using licensing fees to support the position created within the Department of Health that will facilitate the licensing of home care agencies;
- (2) Adding language to clarify that it is not the Legislature's intent that the position in the Department of Health to facilitate licensing of home care agencies be funded by monies in the office of health care assurance special fund;
- (3) Inserting a section to extend by five years the repeal date of Act 21, Special Session Laws of Hawaii 2009, which requires home care agencies to be licensed by the Department of Health;
- (4) Inserting a provision instructing the Department of Health to submit future funding requests for the permanent position that facilitates the licensing of home care agencies to the Director of Finance as part of its annual budget request;
- (5) Changing the effective date to June 29, 2050, with an effective date of July 1, 2050, for the appropriation; and
- (6) 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 H.B. No. 2094, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2094, 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.

Human Services

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

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 3006 (Joint) Human Services and Commerce and Consumer Protection on H.B. No. 1715**

The purpose and intent of this measure is to support and protect Hawaii's kupuna by appropriating funds to the Office of the Securities Commissioner for educational outreach targeted at kupuna, based on a model similar to the Department of Commerce and

Consumer Affairs' existing investor education programs, particularly in the areas of indexed annuities, life-settlement annuities, variable annuities, and Ponzi schemes.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that elderly citizens are often victimized by consumer and financial fraud such as identity theft, investment fraud, and health care fraud. Your Committees further find that there is a growing need to educate and inform consumers about financial fraud and protect seniors against financial fraud and scams. The investor education programs within the Department of Commerce and Consumer Affairs provide kupuna with education and outreach, including information about how to make wise choices when investing and how to detect financial fraud.

Your Committees have amended this measure by:

- (1) Amending the purpose of the appropriation to the operation of investor education and related financial programs targeted to kupuna, to allow the Department of Commerce and Consumer Affairs more flexibility in educating Hawaii's kupuna about fraudulent investment schemes;
- (2) Amending section 1 to reflect the amended purpose of this measure;
- (3) Inserting an appropriation amount of \$50,000; and
- (4) 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 H.B. No. 1715, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1715, 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.

Human Services

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

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 3007 Human Services on H.B. No. 1504**

The purpose and intent of this measure is to clarify that all child support orders are presumed to apply on a per child basis.

Your Committee received testimony in support of this measure from three individuals.

Your Committee finds that a child support order for multiple children is currently issued as one aggregate amount. Your Committee recognizes the sentiment expressed in testimony on this measure that it is onerous for parents to have to complete and submit paperwork to amend their child support order when a child turns eighteen and the number of children for which child support is owed decreases.

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. 1504, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 3008 Human Services on H.B. No. 2294**

The purpose and intent of this measure is to provide Hawaii residents with increased access to long-term care and more sustainable nursing facilities by:

- (1) Extending the nursing facility sustainability program for one year, and making corresponding amendments to the sunset of its special fund and the use of revenues to enhance the capitated rates paid to Medicaid managed care health plans; and
- (2) Appropriating funds out of the nursing facility sustainability program special fund to be used for the nursing facility sustainability program.

Your Committee received testimony in support of this measure from the Department of Human Services, Chamber of Commerce Hawaii, Hawaii Health Systems Corporation, Hawaii Long Term Care Association, and Healthcare Association of Hawaii.

Your Committee finds that funding the nursing facility sustainability program is necessary to increase the sustainability of nursing facilities, which provide a long-term safety net for the State's aging population. Your Committee received testimony on this measure indicating that, without an exemption from section 36-27, Hawaii Revised Statutes, the nursing facility sustainability program will have to pay approximately \$500,000 per year in central service expenses assessments, which inhibits the program's ability to sustain nursing facilities and improve services to Medicaid recipients.

Your Committee has amended this measure by:

- (1) Making the nursing facility sustainability program special fund statutorily exempt from central services fees assessed under section 36-27, Hawaii Revised Statutes;



- (2) Inserting an appropriation amount of \$12,000,000 to ensure that the State is able to match the maximum amount of federal funds to benefit nursing facilities statewide;
- (3) Inserting an effective date of June 29, 2014, with an effective date of July 1, 2014, for the appropriation; and
- (4) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2294, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2294, 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, 2 (Taniguchi, Slom).

**SCRep. 3009 Human Services on H.B. No. 1740**

The purpose and intent of this measure is to support the effective implementation and provision of language access assistance services in the State by government agencies and state-funded entities by increasing the amount of funds appropriated for fiscal year 2014-2015 for the statewide Language Access Resource Center and the multilingual website pilot project.

Your Committee received testimony in support of this measure from the Hawaii Civil Rights Commission, Office of Language Access, Office of Community Services, Filipino American Citizens League, Filipino Coalition for Solidarity, Hawaii Friends of Civil Rights, and National Federation of Filipino American Associations Region 12.

Your Committee finds that the Language Access Resource Center and the multilingual website pilot project enable state and state-funded agencies to better serve Hawaii's limited English proficient population and further compliance with federal and state language access laws. Your Committee further finds that continued and appropriate funding of the Language Access Resource Center and the multilingual website pilot project is essential to their successful and effective implementation and their usefulness to the general public.

Your Committee has amended this measure by inserting the following appropriation amounts proposed by the Office of Language Access for fiscal year 2014-2015:

- (1) \$300,000 to operate the statewide Language Access Resource Center; and
- (2) \$150,000 for the multilingual website pilot project.

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. 1740, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1740, 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, 2 (Taniguchi, Slom).

**SCRep. 3010 (Joint) Education and Human Services on H.B. No. 2109**

The purpose and intent of this measure is to establish and fund an evidence-based physical-activity and nutritional-education program within the Department of Education's after-school plus program (A+ program).

Your Committees received testimony in support of this measure from the Department of Education, Department of Human Services, Hui for Excellence in Education, Kaho'omiki, Afterschool Alliance, and The SPARK Programs.

Your Committees find that for the past decade, an evidence-based physical-activity and nutritional-education program called "Fun 5" has been operating successfully in nearly all elementary schools statewide as an integral part of the A+ program. Fun 5 provides training for all A+ program group leaders, supplies manuals and playground equipment, and provides hands-on instruction for physically active games and nutritional enlightenment.

Your Committees further find that Fun 5, which for many of its participants is the only organized physical activity that they experience in a day, has shown positive results in boosting the children's level of physical activity, reducing their rate of obesity, and increasing their consumption of fruits and vegetables. These achievements are accomplished through a hands-on and enjoyable program that promotes five servings of fruits and vegetables per day and at least thirty minutes of active physical exercise five days per week.

Your Committees note that a grant-in-aid is also being explored as a means of funding the evidence-based physical-activity and nutritional-education program.

Your Committees have amended this measure by:

- (1) Establishing the evidence-based physical-activity and nutritional-education program as a five-year pilot program rather than establishing the program in statute; and
- (2) 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 Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2109, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2109, 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.  
Education  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 3011 Education on H.B. No. 1971**

The purpose and intent of this measure is to authorize administrative, support, and instructional employees in charter schools to fully participate in the State's systems for certain employee benefits and additional supports and incentives offered by the Department of Education to employees in Department public schools.

Your Committee received testimony in support of this measure from Department of Education; State Public Charter School Commission; Hawaii State Teachers Association; United Public Workers, AFSCME, Local 646, AFL-CIO; and Hawaii Public Charter School Network.

Your Committee finds that this measure will provide greater parity in benefits received between administrative, support, and instructional employees in charter schools and administrative, support, and instructional employees at Department of Education public schools. However, there is concern about how the Department of Education and the State Public Charter School Commission (Commission) would fund the yearly costs of providing these benefits. For example, the Department of Education testified that it spends approximately \$2,200,000 to pay for incentives for hard-to-fill positions and the Teacher National Board Certification Incentive Program alone.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Department of Education and Commission to identify all incentives and bonuses provided to public school employees, including charter school employees, pursuant to statute, any master agreements and supplemental agreements entered into between the Department of Education and the exclusive representatives as defined in chapter 89, Hawaii Revised Statutes, and any supplemental agreements entered into pursuant to section 302D-25, Hawaii Revised Statutes, and indicate the total dollar amount and funding distribution method for each;
- (2) Requiring the Department of Education and Commission to report their findings, including recommendations on the most efficient and equitable funding distribution methods associated with the incentives and bonuses identified, to the Legislature; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1971, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1971, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 3012 (Joint) Education and Health on H.B. No. 1777**

The purpose and intent of this measure is to:

- (1) Authorize Department of Education employees and agents with specified training to volunteer to administer auto-injectable epinephrine to a student with anaphylaxis;
- (2) Authorize the Department of Education to make arrangements to receive injectable epinephrine supplies from manufacturers or suppliers; and
- (3) Make an appropriation to the Department of Education for instruction, training, and related expenses.

Your Committees received testimony in support of this measure from the Department of Education; Department of Health; Hawaii Association of Professional Nurses; Walgreens, Co.; Mylan, Inc.; and Hawaii Association for Justice.

Your Committees find that this measure is necessary to clarify that Department of Education employees and agents may volunteer to administer epinephrine to a student with anaphylaxis.

Your Committees further find that it is imperative that Department of Education employees and agents who volunteer to administer epinephrine to a student with anaphylaxis are given proper instruction on the administration of epinephrine.

Your Committees have amended this measure by:

- (1) Inserting language to establish a five-year pilot program within the Department of Education, in collaboration with the Department of Health, to provide auto-injectable epinephrine to any student or other individual on school premises, at school-sponsored events, or at any other time the student or individual is subject to the school's jurisdiction or supervision, whom designated school personnel believes in good faith is experiencing anaphylaxis;
- (2) Authorizing the Department of Education to maintain a stock of auto-injectable epinephrine supplies as part of the pilot project;
- (3) Providing that an authorized health care provider may prescribe auto-injectable epinephrine to a school participating in the pilot program;
- (4) Authorizing pharmacists and authorized health care providers to dispense auto-injectable epinephrine pursuant to a prescription issued under the pilot program;

- (5) Requiring training for any Department of Education employee or agent who volunteers to administer auto-injectable epinephrine under the pilot program;
- (6) Inserting language providing immunity from civil or criminal liability to any person acting in accordance with the requirements of the pilot program, with certain exceptions for gross negligence, wilful and wanton misconduct, and intentional misconduct;
- (7) Requiring the Department of Education, in collaboration with the Department of Health, to submit an annual report to the Legislature for the duration of the pilot program;
- (8) Inserting an effective date of July 1, 2030, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that there are still concerns about the liability exemptions provided in this measure and if this measure is considered for passage by your Committee on Ways and Means, your Committees recommend examining how other jurisdictions handle the issue of liability as it relates to the subject matter covered by this measure.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1777, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1777, 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.

Education

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

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3013 Education on H.B. No. 1675**

The purpose and intent of this measure is to:

- (1) Require all public secondary schools to implement a school year that includes nine hundred ninety student instructional hours beginning with the 2014-2015 school year;
- (2) Repeal the requirement that all public schools implement a school year of one hundred eighty days, including one thousand eighty student instructional hours, beginning with the 2016-2018 school years; and
- (3) Amend the definition of "student instructional hours" to authorize the Board of Education to define the term.

Your Committee received testimony in support of this measure from two individuals and students from Kailua High School, Kalaheo High School, and Moanalua High School. Your Committee received testimony in opposition to this measure from the Hui for Excellence in Education, IMUAlliance, and three individuals. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that currently, to comply with the requirement that a school year include one thousand eighty student instructional hours, most secondary schools would need to add on average five minutes per class period. It is unknown at this time what benefit this limited increase would be when weighed against the increased operational costs the Department of Education would incur from such a change, including additional compensation for teachers and increases in utility costs.

Your Committee also concurs with the Department of Education's finding that the important issue that Act 167, Session Laws of Hawaii 2010, and Act 52, Session Laws of Hawaii 2011, have raised is the equity of learning time for students, especially given the fact that there has been as much as a two-month difference in time between secondary schools, and this must be balanced with a focus on quality use of time and student results.

Your Committee further finds that another pertinent issue is providing clarity on the definition of "student instructional hours". For example, some schools require students to work on projects that include a number of hours of self-directed work but require little classroom time, so such time may not be counted toward instructional hours. In addition, many students and teachers engage in afterschool activities that are instructional in nature but may not count toward instructional time because they occur outside of the classroom.

By delegating the authority to define student instructional hours to the Board of Education, schools will be provided with the requested flexibility necessary for scheduling purposes, while at the same time increasing access to those teachable moments where students learn best.

Your Committee has amended this measure by:

- (1) Inserting language to require the Board of Education to consult with the exclusive representatives of the appropriate bargaining units in defining "student instructional hours";
- (2) Making a conforming amendment by deleting the requirement for submission of a plan by the Department of Education to implement, beginning with the 2018-2019 school year, a school year of one hundred ninety days at certain schools;
- (3) Making this measure effective upon its approval; and
- (4) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1675, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1675, 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, 2 (Ruderman, Slom).

**SCRep. 3014 (Joint) Education and Hawaiian Affairs on H.B. No. 1551**

The purpose and intent of this measure is to establish the Instructional Office of Hawaiian Studies within the Department of Education for the purpose of providing instruction of public school students on Hawaiian history, culture, arts, and language.

Your Committees received testimony in support of this measure from the Board of Education, Department of Education, Office of Hawaiian Affairs, Hawaii State Teachers Association, Hawaiian Affairs Caucus of the Democratic Party of Hawaii, 'Aha Kauleo Statewide Hawaiian Immersion Advisory Council, Ka Lei Pāpahi'o Kākuhihewa, and sixteen individuals. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies. Your Committees received comments on this measure from the State Public Charter School Commission.

Your Committees find that article X, section 4, of the Hawaii State Constitution requires the State to promote the study of Hawaiian culture, history, and language and provide for a Hawaiian education program consisting of language, culture, and history in the State's public schools. Over the years, there have been concerns that Hawaiian education programs in the public schools are disjointed, lack appropriate oversight, and are not adequately resourced to meet the purpose and intent of article X, section 4, of the Hawaii State Constitution.

Your Committees further find that in February of 2014, the Board of Education revised Board of Education Policies 2104 and 2105, which, among other things, established the Office of Hawaiian Education within the Office of the Superintendent of Education and requires the Department of Education to allocate resources, including personnel and fiscal resources, to create and implement appropriate curricula, standards, performance assessment tools, professional development, and strategies for community engagement throughout the Department of Education.

This measure complements the Board of Education's policies and reaffirms the Legislature's commitment to ensuring the requirements of article X, section 4, of the Hawaii State Constitution are met.

Your Committees have amended this measure by:

- (1) Renaming the "Instructional Office of Hawaiian Studies" as the "Office of Hawaiian Education";
- (2) Placing the establishment of the Office of Hawaiian Education in Session Law rather than in chapter 302A, Hawaii Revised Statutes (HRS);
- (3) Adding language to require the Office of Hawaiian Education to be placed within the Office of the Superintendent of Education and to require the head of the Office of Hawaiian Education to be part of the Superintendent of Education's leadership team;
- (4) Requiring the Department of Education to allocate resources, including personnel and fiscal support, to the Office of Hawaiian Education to create and implement appropriate curricula, standards, performance assessment tools, professional development, and strategies for community engagement throughout the Department of Education, rather than requiring the Office of Hawaiian Education and Hawaiian language medium education program to have a separate line item in the budget;
- (5) Requiring the Department of Education to report to the Legislature annually on its compliance with the requirements of this measure and Board of Education Policies 2104 and 2105;
- (6) Requiring the Department of Education's report to the Legislature twenty days prior to the convening of the Regular Session of 2015 to include a statutory audit of chapter 302H, HRS, and a determination, including any proposed legislation, as to whether the Office of Hawaiian Education should be codified in chapter 302A, HRS, or chapter 302H, HRS;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees have requested that the Department of Education provide an estimate of the operational costs of establishing and running the Office of Hawaiian Education should this measure be considered for passage by your Committee on Ways and Means.

As affirmed by the records of votes of the members of your Committees on Education and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1551, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1551, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

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

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 3015 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1812**

The purpose and intent of this measure is to:

- (1) Require the chief of each county police department to submit an annual report to the Legislature by January 31 covering misconduct incidents that resulted in suspension or discharge of a police officer from the calendar year immediately prior to the year of the report submission;
- (2) Specify the information that each report must contain, including updated information from previous reports; and
- (3) Require the county police departments to retain the disciplinary records in accordance with their respective record retention policies or for at least eighteen months after the final report concerning that incident, whichever period is longer.

Your Committee received testimony in support of this measure from the Office of Information Practices; Society of Professional Journalists, Hawaii Chapter; Civil Beat Law Center for the Public Interest; and one individual. Your Committee received testimony in opposition to this measure from the Honolulu Police Department and State of Hawaii Organization of Police Officers.

Your Committee finds that for over a decade, the only public information available concerning final suspensions of police officers has been the annual report to the Legislature, required by section 52D-3.5, Hawaii Revised Statutes; however, these reports provide minimal detail. This measure improves the applicability of section 52D-3.5, Hawaii Revised Statutes, and creates a more informed public dialogue about the misconduct by police officers.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2030, to encourage further discussion; and
- (2) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1812, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1812, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 3016 (Joint) Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on H.B. No. 1647**

The purpose and intent of this measure is to appropriate funds as grants-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu for the Career Criminal Prosecution Unit, Victim Witness Assistance Program, Veterans Treatment Court, Drug Court, and Hawaii's Opportunity Probation with Enforcement Program.

Your Committees received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Crime Victim Compensation Commission, Kailua Neighborhood Board, and eight individuals. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that the Career Criminal Prosecution Unit addresses the disproportionate amount of serious crimes committed against the public by a relatively small number of "career criminals", while the Victim Witness Assistance Program provides information, assistance, and support services to victims and witnesses of crimes. Additionally, Drug Court, Veterans Treatment Court, and Hawaii's Opportunity Probation with Enforcement Program provide critical services to the State's citizens, including minimizing recidivism. Your Committees further find that money spent on these programs is an efficient use of resources and that these programs provide the State's citizens with support services and swift and effective justice, lessen caseloads and long court delays, and reduce recidivism.

Your Committees have amended this measure by changing the expending agency for the funds appropriated for the Career Criminal Prosecution Unit, Victim Witness Assistance Program, Veterans Treatment Court, Drug Court, and Hawaii's Opportunity Probation with Enforcement Program from the Department of the Attorney General to the Department of the Prosecuting Attorney of the City and County of Honolulu.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1647, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1647, 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.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

Judiciary and Labor

Ayes, 5. Noes, none. Excused, 2 (Hee, Ihara).

**SCRep. 3017 (Joint) Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on H.B. No. 2333**

The purpose and intent of this measure is to:

- (1) Specify that the statewide, integrated program for the treatment of sex offenders applies only to adult offenders;
- (2) Require the statewide integrated adult sex offender treatment program to employ a best practices philosophy for the treatment of adult sex offenders;
- (3) Direct the statewide integrated adult sex offender treatment program to develop and implement standards and guidelines for the assessment, evaluation, treatment, and supervision of adult sex offenders; and

- (4) Identify the statewide integrated adult sex offender treatment program's coordinating body as the "Adult Sex Offender Management Team".

Your Committees received testimony in support of this measure from the Department of Public Safety and one individual.

Your Committees find that it is critical to use current research to treat sex offenders because sexual assaults have grave and lasting effects on the victims. Most sex offenders have many more victims than those that come forward, and steps need to be taken to interrupt the cycle of sexual assault. This measure strengthens and expands the statewide integrated adult sex offender program by employing a best practices philosophy and requiring the development and implementation of standards and guidelines for the assessment, evaluation, treatment, and supervision of adult sex offenders.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2333, H.D. 2 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

Judiciary and Labor  
Ayes, 5. Noes, none. Excused, 2 (Hee, Ihara).

**SCRep. 3018 (Joint) Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on H.B. No. 2490**

The purpose and intent of this measure is to enhance the existing juvenile justice system by instituting the Hawaii Juvenile Justice Working Group's recommendations for juvenile justice reform, including:

- (1) Requiring the Executive Director of the Office of Youth Services to create a personalized reentry plan for all persons committed to the Hawaii Youth Correctional Facilities and specifying notice requirements related to the reentry plan;
- (2) Standardizing probation supervision requirements, including requiring probation officers to create an individualized case plan for each child placed on probation;
- (3) Authorizing probation officers to impose graduated sanctions for violations of the rules and terms of probation or award incentives to reward compliance with rules and terms of probation;
- (4) Establishing an earned discharge from probation program to incentivize compliance with rules and terms of probation;
- (5) Establishing a Statewide Juvenile Justice Interdepartmental Cluster to provide coordinated services to certain children under the jurisdiction of the Family Court;
- (6) Specifying factors for the Executive Director of the Office of Youth Services to consider when granting parole;
- (7) Requiring the Board of Family Court Judges to provide guidelines and procedures necessary to implement a single statewide standardized tool to conduct risk and needs assessments to help reduce the likelihood of recidivism;
- (8) Requiring the Director of the Family Court of each circuit to establish a framework to guide probation officers in exercising discretion in providing informal adjustment;
- (9) Requiring the Family Court to conduct a risk assessment for each child before disposition to assist the Family Court in making an appropriate disposition, and to inform reentry and case plans;
- (10) Authorizing the court to suspend proceedings when the risk and needs assessment indicates substance abuse or mental health needs, to allow for earlier treatment; and
- (11) Establishing a temporary Juvenile Justice Oversight Advisory Council to monitor and oversee the implementation of this measure.

Your Committees received testimony in support of this measure from the Office of the Governor; Department of the Attorney General; Judiciary, State of Hawaii; Department of Health; Department of Human Services; State Council on Mental Health; Department of Human Services, Office of Youth Services; Crime Victims Compensation Commission; Office of the Prosecuting Attorney of the County of Hawaii; Office of the Prosecuting Attorney of the County of Kauai; Community Alliance on Prisons; Hawaii Youth Services Network; Mental Health America of Hawaii; Hawaii Substance Abuse Coalition; The Salvation Army; Hawaii Friends of Justice and Civic Education; Hale Kipa, Inc.; and four individuals. Your Committees received testimony in opposition to this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committees find that there is a need to improve and enhance the existing juvenile justice system, as recommended by the Hawaii Juvenile Justice Working Group. Over the last decade, the number of juvenile offenders in the State that are confined for nonviolent offenses has risen. When juvenile offenders are confined for nonviolent offenses and are placed in secure facilities, the risk of repeat offenses upon their release increases. Furthermore, critical services to reduce delinquency, including mental health and substance abuse treatment, are not sufficiently accessible to the State's youth. This measure will reform the State's juvenile justice system through targeted juvenile justice reforms, including concentrating secure bed space on serious juvenile offenders; strengthening disposition, adjustment, diversion, and services available for juvenile offenders; and establishing the Juvenile Justice Oversight Advisory Council.

Your Committees recognizes the issue of juvenile justice restitution and hopes this topic will be further discussed as this measure moves forward.

Your Committees have amended this measure by:

- (1) Clarifying that reentry plans are for persons committed to Hawaii Youth Correctional Facilities who are serving a concurrent or non-concurrent term of probation;
- (2) Deleting section 15, thereby retaining the existing statewide interdepartmental cluster that coordinates services for children with severe emotional and developmental problems; and
- (3) 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 Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2490, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2490, 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.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Baker, Green).

Judiciary and Labor

Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Hee, Ihara).

**SCRep. 3019 Commerce and Consumer Protection on H.B. No. 2012**

The purpose and intent of this measure is to:

- (1) Prohibit the sale of tickets to an exhibition, game, concert, and other events at prices greater than the sum of the price printed on the ticket, any lawful taxes collected, and any reasonable charge for services and specify that any violation shall be an unfair and deceptive practice;
- (2) Specify exceptions to the ticket sales requirements for primary ticket sellers, persons selling tickets for events outside the State, and tickets offered for sale through an internet website; and
- (3) Establish the use of software to circumvent online safeguards to purchase event tickets as an unfair and deceptive practice and impose an administrative fine.

Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs; Department of Enterprise Services, City and County of Honolulu; eBay, Inc.; and A Tom Moffat Production.

Your Committee finds that although various other states have laws on ticket scalping, Hawaii only prohibits ticket scalping at boxing and mixed martial arts events. There are no existing ticket sale regulations for other events, such as exhibitions, concerts, or other athletic competitions. Your Committee further finds that when these events sell out, a secondary market of profiteers, known as scalpers, begins to profit from the scarcity of tickets, which can frustrate potential buyers who were unable to acquire tickets through primary channels. The resale of tickets far in excess of the tickets' face value hurts all parties connected with a promotion except the scalper. Furthermore, the use of illicit computer software, known as bots, to electronically circumvent the ticket buying process also impedes the public's fair access to ticket sales.

Your Committee additionally finds that this measure attempts to address some of the concerns associated with ticket sales practices and ticket scalping by prohibiting the sale of tickets at prices greater than the sum of the price printed on the ticket, any lawful taxes collected, and any reasonable charge for services. However, your Committee also finds that Hawaii consumers are at a disadvantage for event ticket sales when these ticket sales begin in a much earlier time zone. To ensure that Hawaii residents have an equitable opportunity to purchase tickets for events in Hawaii, ticket sales for these events should commence no earlier than 8:00 a.m. Hawaii Standard Time.

Your Committee has heard the concerns that the language in this measure that prohibits the use of computer software to circumvent security measures or controls on a ticket seller's website may be difficult for the Office of Consumer Protection to enforce. Discovering the identity of persons utilizing bots to illegally acquire event tickets requires the use of investigatory techniques normally used in cybercrime investigations. Accordingly, it would be more appropriate to place this anti-bot language under the computer crime portion of the State's Penal Code.

Your Committee has amended this measure by:

- (1) Moving provisions that would have established new sections under chapter 481B, Hawaii Revised Statutes, into a new part in chapter 481B, Hawaii Revised Statutes, relating to event ticket sales practices and ticket scalping;
- (2) Specifying that no ticket sales for an event in Hawaii shall commence before 8:00 a.m. Hawaii Standard Time or before the primary ticket seller commences ticket sales;
- (3) Clarifying the requirements for internet website ticket sales;
- (4) Requiring a primary ticket seller to disclose all applicable taxes and fees that may be assessed on a ticket sale on the web page or physical display that lists the price of the ticket;
- (5) Requiring a primary ticket seller to disclose the number of tickets available in a ticket sale on a publicly available website or at the venue box office;
- (6) Specifying the remedies available to consumers under the new part in chapter 481B, Hawaii Revised Statutes;

- (7) For consistency, moving the language in section 481B-15, relating to ticket brokers, fees, and cancellations, into a new section under the new part in chapter 481B, Hawaii Revised Statutes, and repealing the existing section 481B-15;
- (8) Moving provisions that would have established a new section under chapter 481B, Hawaii Revised Statutes, relating to the circumvention of online ticket purchase processes, into a new section in part IX of chapter 708, Hawaii Revised Statutes, relating to computer crime, and making a violation of this section a misdemeanor rather than an administrative fine;
- (9) Amending the purpose section; and
- (10) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2012, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2012, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 3020 Commerce and Consumer Protection on H.B. No. 2401**

The purpose and intent of this measure is to:

- (1) Clarify the Real Estate Commission's enforcement authority by authorizing the award of attorneys' fees and, in certain cases, authorizing the Commission the discretionary power to decline to bring enforcement actions; and
- (2) Remove a condominium board's ability to close meetings and deny participation to association members.

Your Committee received testimony in support of this measure from the Committee to Protect the Rights of Condominium Associations' Members and nineteen individuals. Your Committee received testimony in opposition to this measure from the Real Estate Commission; Community Associations Institute, Hawaii Chapter; Hawai'i State Association of Parliamentarians; Hawaii First, Inc.; Hawaiiana Management Company, Ltd.; and forty-six individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that this measure expands the Real Estate Commission's enforcement authority to include provisions of the condominium law relating to the management of condominiums. However, your Committee further finds that the State's condominiums work on a system of self-governance and including an additional enforcement mechanism for the Real Estate Commission may not be necessary.

Your Committee also finds that for condominiums to continue to function as self-governing entities, as the Legislature originally intended, there must be more transparency in the actions of condominium association boards. Condominium unit owners must also be able to stay informed by obtaining copies of important condominium documents, records, and information to which they are entitled. However, this measure, as written, may not be the best method to achieve these objectives.

Your Committee notes that in subsequent discussions with interested stakeholders on this measure, it became clear to your Committee that the requirements for certain documents, records, and information to be provided to condominium unit owners were in a variety of different sections under chapter 514B, Hawaii Revised Statutes. Your Committee therefore concludes that some of the concerns condominium unit owners have expressed, relating to timely access to appropriate condominium-related documents, would be alleviated if there was one section of the Hawaii Revised Statutes that condominium unit owners, associations, boards, and managing agents could consult for reference. Under existing law, unit owners are entitled to certain documents, records, and information. These owners should not have to go to court or mediation to exercise their rights to these documents, records, and information. One section in the Hawaii Revised Statutes that clearly explains the documents, records, and information that must be released to unit owners will enable unit owners to be better informed and will better support the basic tenet of self-governance under the State's condominium law.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have authorized the recovery of attorneys' fees by the Real Estate Commission and, in certain cases, authorized the Real Estate Commission the discretionary power to decline to bring enforcement actions;
- (2) Deleting language that would have removed a condominium board's ability to close meetings and deny participation to association members;
- (3) Inserting a new section in chapter 514B, Hawaii Revised Statutes, that:
  - (A) Clarifies the documents, records, and information that must be made available to any unit owner and the unit owner's authorized agents; and
  - (B) Specifies that all documents, records, and information shall be provided to the unit owner no later than thirty days after receipt of a unit owner's written request;
- (4) Making conforming amendments to include the new section in chapter 514B, Hawaii Revised Statutes, under the Real Estate Commission's enforcement power;
- (5) Amending the purpose section for clarity; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



Your Committee notes that this amended measure does not provide unit owners with any new rights. Rather, this amended measure merely consolidates into one section the existing requirements for documents, records, and information that already must be released or provided to unit owners within thirty days.

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. 2401, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2401, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 3021 (Joint) Commerce and Consumer Protection and Health on H.B. No. 2529**

The purpose and intent of this measure is to:

- (1) Create the consumer, patient, business, and health care advisory group; health insurers advisory group; and the insurance producers advisory group to advise the Hawaii Health Connector Board of Directors;
- (2) Create the Connector legislative oversight committee to review the financial and operational plans of the Hawaii Health Connector;
- (3) Permit certified insurance agents and brokers to be compensated for enrolling individuals and employers in qualified plans through the Hawaii Health Connector;
- (4) Establish the Hawaii Health Connector federally mandated sustainability fee to support operations of the Connector and to be collected through June 30, 2018;
- (5) Require the Hawaii Health Connector Board of Directors to submit a sustainability plan to the Connector legislative oversight committee and the Insurance Commissioner;
- (6) Establish the Hawaii Health Connector sustainability special fund; and
- (7) Amend the membership of the Hawaii Health Connector Board of Directors from fifteen to ten members and change the composition of the Board.

Your Committees received testimony in support of this measure from Community Alliance for Mental Health, Hawaii Independent Insurance Agents Association, and one individual. Your Committees received testimony in opposition to this measure from the American Council of Life Insurers; MetLife, Inc.; Ironworkers Stabilization Fund; Hawaii Business League; Hawaii Medical Assurance Association; UHA Health Insurance; and one individual. Your Committees received comments on this measure from the Office of the Governor; Department of the Attorney General; Department of Commerce and Consumer Affairs; Hawai'i Health Connector; Tax Foundation of Hawaii; Hawai'i Primary Care Association; Hawaii Medical Service Association; America's Health Insurance Plans; National Association of Insurance and Financial Advisors; American Family Life Assurance Company of Columbus; Advantage Insurance Services, Inc.; AARP Hawaii; Chamber of Commerce Hawaii; and League of Women Voters of Hawaii.

Your Committees find that the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) mandates state health insurance exchanges to be self-sustaining beginning in January 2015. The Hawaii Health Connector's (Connector) Board of Directors (Board) is currently engaged in a sustainability planning process to reduce the annual operating expenses of the Connector and must consider numerous complex issues. The Board's goal is to find the right balance between cost cutting, complying with federal and state law, and protecting the most important services and benefits for Hawaii residents, especially with regard to the Prepaid Health Care Act. Your Committees note that the Connector is expected to provide the Legislature with an outline of a cost reduction plan within the next two to three weeks.

Your Committees additionally note the long-term value of the Connector and its goal to provide opportunities for Hawaii residents to acquire health insurance with better benefits. The Connector also has the ability to save individuals and small businesses money through the use of tax credits and subsidies. Therefore, while the Connector works toward a cost reduction strategy, your Committees find that additional steps must be taken to create a sustainable funding method for the Connector. Although this measure attempts to create a sustainable funding method by imposing an assessment based on the number of individuals covered by each insurer, your Committees find that a fee based on premiums would better accommodate cost inflation over time, rather than a fee based on covered lives.

Your Committees additionally find that this measure establishes three separate advisory groups to provide input and recommendations to the Board. However, the Board already has several mechanisms available for stakeholder engagement and public input, including a standing Consumer Advisory Committee consisting of participants from the community. As the Board already has the authority to create advisory committees, the advisory groups proposed by this measure are not necessary.

Your Committees also find that this measure permits certified insurance agents and brokers to be compensated for enrollments through the Connector. Requiring the Connector to pay for the services of agents and brokers will require this compensation to be built into the Connector's operating budget and sustainability plan. For the Connector to be sustainable, its organization and operations must be downsized, and not expanded.

Finally, your Committees note that this year will be a particularly important time for the Connector as the Connector continues to improve operations, seeks stability, contemplates options for sustainability, and adapts to evolving requirements under the Affordable Care Act. To best accomplish these objectives, the Board must be as efficient as possible. Amendments are therefore necessary to further streamline the Board.

Your Committees have amended this measure by:

- (1) Deleting language that would have established a consumer, patient business, and health care advisory group, a health care advisory group, and an insurance producers advisory group;
- (2) Amending the composition and the duties of the Connector legislative oversight committee;
- (3) Deleting language that would have permitted certified insurance agents and brokers to be compensated for enrollments through the Hawaii Health Connector;
- (4) Establishing the Hawaii health insurance exchange special fund, administered by the Department of Commerce and Consumer Affairs, to be used for the financial support of the Connector and to ensure the sustainability of the Connector;
- (5) Beginning January 1, 2015, assessing a Hawaii health insurance exchange sustainability fee of no more than .345 percent of the premiums derived from the sale of comprehensive medical insurance plans, including dental plans, in the State, to be deposited into the Hawaii health insurance exchange special fund; provided that the final amount of the sustainability fee is to be based on the sustainability plan budget request submitted to the Connector legislative oversight committee;
- (6) Specifying that funding for the Hawaii Health Connector may include appropriations from the Legislature via the Hawaii health insurance exchange sustainability fee but noting that the current two percent surcharge authorized by the Connector on plans sold through the Connector shall cease to be collected once the sustainability fee is instituted;
- (7) Requiring the Hawaii Health Connector Board of Directors to prepare and annually submit a fully documented biennial sustainability plan budget request for the Connector to the Connector legislative oversight committee;
- (8) Requiring the Legislature to annually appropriate the funds collected from the Hawaii health insurance exchange sustainability fee to the Hawaii health insurance exchange, pursuant to information received and recommendations made by the Connector legislative oversight committee;
- (9) Specifying that no more than \$15,000,000 shall be allocated to the Hawaii health insurance exchange in any calendar year, but providing that the Legislature may increase this ceiling through adoption of a subsequent budget request from the Hawaii Health connector;
- (10) Deleting language that would have established the Hawaii health connector federally mandated sustainability fee and would have authorized the Insurance Commissioner to take into account the recommendation of the Connector legislative oversight committee and assess and collect the Hawaii health connector sustainability fee based upon the number of individuals covered by each insurer or dental insurer;
- (11) Inserting language to exclude from the definition of “insurer” under chapter 435H, Hawaii Revised Statutes, limited benefit health insurance policies;
- (12) Clarifying the status of the Hawaii Health Connector as the designated health insurance exchange for the State;
- (13) Requiring the Hawaii Health Connector to submit the results of the Connector’s annual audit to the Legislature, in addition to the Insurance Commissioner;
- (14) Clarifying that all plans to generate revenue for the Hawaii Health Connector must be in compliance with federal law;
- (15) Amending the composition of the Hawaii Health Connector Board of Directors, including:
  - (A) Lowering the number of members on the Board to twelve, with a maximum of nine total voting members;
  - (B) Removing members representing insurers and dental benefit providers from the Board but permitting the Board to establish a subcommittee of representatives from all providers of health care insurance and dental benefits;
  - (C) Requiring all but one of the state agency representatives on the Board to be ex officio nonvoting members and specifying the list of state representatives from which the Governor may designate an official state representative to serve as an ex officio voting member of the Board; and
  - (D) Clarifying procedures for making appointments and filling vacancies on the Board; and
- (16) Inserting language to appropriate general revenues to the Hawaii health insurance exchange special fund;
- (17) Appropriating funds out of the Hawaii health insurance exchange special fund for the Hawaii Health Connector but requiring the general fund to be reimbursed over a five-year period for the original appropriation amount once the Hawaii health insurance exchange sustainability fee is authorized and collected and the sustainability plan is adopted;
- (18) Amending the purpose section for clarity; and
- (19) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that because this measure assesses a sustainability fee on all comprehensive medical plans in the State, more plans and individuals will be covered under the sustainability fee than under the two-percent surcharge currently levied by the Connector. The result is a much lower fee than the surcharge and a more level playing field that promotes competition, ensures equity amongst health insurance issuers, and may potentially encourage more insurers to participate in the Connector.

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 are in accord with the intent and purpose of H.B. No. 2529, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2529, 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.

Commerce and Consumer Protection  
Ayes, 3; Ayes with Reservations (Nishihara). Noes, none. Excused, 2 (Wakai, Slom).

Health  
Ayes, 3; Ayes with Reservations (Nishihara). Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 3022 (Joint) Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on H.B. No. 849**

The purpose and intent of this measure is to recodify the State's emergency management laws to conform to nationwide emergency management practices by instituting several updates, including:

- (1) Establishing the Hawaii Emergency Management Agency in the State Department of Defense with the functions and authority currently held by the State Civil Defense Agency;
- (2) Establishing the power and authority of the Director of the Hawaii Emergency Management Agency, who will be the Adjutant General, with the functions and authority currently held by the Director of Civil Defense;
- (3) Establishing the Hawaii Advisory Council on Emergency Management to confer with and advise the Governor in emergency management matters, with responsibilities currently held by the Civil Defense Advisory Council;
- (4) Establishing county emergency management agencies under each county's respective mayor's direction, with the function and authority currently held by the local organizations for civil defense;
- (5) Codifying and clarifying the mayors' authority for emergency management in their respective counties;
- (6) Establishing an Emergency Reserve Corps that shall be composed of trained specialists to support state and county emergency requirements;
- (7) Codifying the existing State Warning Point;
- (8) Codifying the existing practice that all state and county officials, officers, and employees are considered emergency workers subject to the direction of their respective state or county department director during emergencies or disasters;
- (9) Clarifying the Governor's authority for emergency management and authorizing the Governor to assume direct operational control over local emergency management functions when a state of emergency has been declared by the Governor;
- (10) Authorizing the Governor and mayors to delegate their emergency management powers consistent with current civil defense authority and practice;
- (11) Establishing how proclamations are promulgated and terminated;
- (12) Defining key emergency management terms, including "critical infrastructure", "emergency", "emergency management", "emergency management functions", and "emergency period"; and
- (13) Repealing chapters 127 and 128, Hawaii Revised Statutes, which will be obsolete with the creation of the Hawaii Emergency Management Agency.

Your Committees received testimony in support of this measure from the State Department of Defense Civil Defense Division; Department of Public Safety; Judiciary, State of Hawaii; Department of Education; Department of Business, Economic Development and Tourism; Department of Labor and Industrial Relations; Department of Transportation; Honolulu Police Department; Civil Air Patrol; American Red Cross, Hawaii State Chapter; Healthcare Association of Hawaii; and six individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committees find that the State's existing civil defense and emergency management laws were written in the 1940s and few updates have been made since then, despite the fact that conditions in Hawaii have changed dramatically and the field of emergency management has changed significantly. The State's civil defense and emergency management laws need to be updated to establish a framework for the State's emergency management partners to work together as a unified emergency management unit for emergencies and disasters. The new emergency management chapter proposed by this measure clarifies the relationship between the State and the county emergency management agencies and delineates the emergency management functions and power of the Governor and the mayors, allowing the State and counties to better prepare for and respond to emergencies and disasters.

Your Committees note the importance of the tourism industry and businesses working in collaboration with the State and counties in order to effectively prepare for, protect against, respond to, recover from, and mitigate hazards and threats posed by emergencies or disasters.

Your Committees have amended this measure by:

- (1) Adding language to clarify that an emergency reserve corps employee hired for staffing during an emergency period may receive civil service, public service, and pension and retirement compensation and benefits if statutory requirements are satisfied; and
- (2) 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 Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 849, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 849, 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

Judiciary and Labor  
Ayes, 5. Noes, none. Excused, 2 (Hee, Ihara).

**SCRep. 3023 (Joint) Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on H.B. No. 2654**

The purpose and intent of this measure is ensure that victim restitution payments are uniformly collected from inmates at the rate of twenty-five percent of the total of all monies earned, new deposits, and credits to an inmate's individual account, notwithstanding any other law or court order to the contrary and applicable to victim restitution orders issued after the effective date of this measure.

Your Committees received testimony in support of this measure from the Department of Public Safety, Department of the Attorney General, Crime Victim Compensation Commission, Department of the Prosecuting Attorney of the City and County of Honolulu, Office of the Prosecuting Attorney of the County of Hawaii, Office of the Prosecuting Attorney of the County of Kauai, The Sex Abuse Treatment Center, and two individuals.

Your Committees find that when an offender is held fully accountable to their crime victims, the recidivism rate is lower than that of offenders who are not held responsible. Under existing law, victim restitution payments collected from inmates is twenty-five percent of all earnings, deposits, and credits in an inmate's individual account. However, this collection has not been uniformly applied to all inmates due to conflicting court orders and lack of enforcement. This measure will ensure that victim restitution payments are uniformly collected from inmates at the rate of twenty-five percent, regardless of the sentencing date, and the amount may not be lowered by any other existing law or court order.

Your Committees note that this measure, as originally introduced during the Regular Session of 2014, provides that a twenty-five percent deduction of an inmate's individual account applies to all inmates regardless of the date that the sentence was imposed. The language in H.B. No. 2654 is preferable because it ensures offender accountability and provides financial justice to victims by restoring the retroactive application of the amendment.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and inserting the contents of H.B. No. 2654, which requires victim restitution payments to be uniformly collected from inmates at the rate of twenty-five percent of the total of all monies in an inmate's individual account, notwithstanding the sentencing date and any other law or court order to the contrary; and
- (2) Inserting an effective date of July 1, 2030, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2654, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2654, 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

Judiciary and Labor  
Ayes, 5. Noes, none. Excused, 2 (Hee, Ihara).

**SCRep. 3024 (Joint) Public Safety, Intergovernmental and Military Affairs and Health and Human Services on H.B. No. 2074**

The purpose and intent of this measure is to address the shortage of long-term care beds and services available to qualified veterans by authorizing the issuance of general obligation bonds and appropriating funds, contingent upon the receipt of federal funds, for the construction of a 173-bed long-term care facility for veterans.

Your Committees received testimony in support of this measure from the Department of Defense State Civil Defense Division; State Office of Veterans Services; Advisory Board of the Office of Veterans' Services; The Chamber of Commerce of Hawaii; Military Officers Association of America, Hawaii Chapter; Hawaii Health Systems Corporation; Healthcare Association of Hawaii; Veterans of Foreign Wars of the United States; National Association for Uniformed Services, Hawaii Chapter; The Chamber of Commerce for Persons with Disabilities; and five individuals.

Your Committees finds that there is an increasing need for long-term care resources and services for our veterans. The State's veteran population is expected to continue to grow with the drawdown of troops in Iraq, the forthcoming pullout from Afghanistan, and more military members attaining veteran status. Even with the success of the Yukio Okutsu State Veterans Home in Hilo, a second facility is needed to address the serious shortfall of long-term care beds for veterans. This measure authorizes the issuance of general obligation bonds and appropriates funds for the construction of a second long-term care facility that will greatly expand access to quality long-term care for Hawaii's veterans.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs, Health, and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2074 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

## Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

## Human Services

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

**SCRep. 3025 (Joint) Public Safety, Intergovernmental and Military Affairs and Commerce and Consumer Protection on H.B. No. 2365**

The purpose and intent of this measure is to authorize:

- (1) The State Fire Council to establish statewide qualifications and procedures for testing, certifying, and credentialing that conform with the adopted State Fire Code and nationally recognized standards, for individuals conducting maintenance testing of fire extinguishers, fire protection systems, and fire alarm systems;
- (2) The State Fire Council to develop, implement, and coordinate a statewide system to promote the effective use of fire and life safety resources;
- (3) County fire departments to administer the testing, certifying, and credentialing process that is established by the State Fire Council and to determine and charge reasonable certification fees; and
- (4) The State Fire Council to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, for the purposes of section 132-16, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the State Fire Council, Honolulu Fire Department, Maui Fire Department, and one individual.

Your Committees find that fire extinguishers and fire protection and fire alarm systems require routine maintenance to ensure reliable operability when used by fire department personnel and to protect building occupants during emergency situations. Individuals that conduct maintenance testing must be licensed; however, the current exam has not been revised for several years. This measure will allow the State Fire Council to implement a statewide system, to be administered by the county fire departments who may establish and collect certification fees, to promote the effective use of fire and life safety resources and to establish statewide qualifications and standards for testing and credentialing that conform to the adopted State Fire Code and nationally recognized standards for maintenance testing of fire safety systems.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs 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. 2365, 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.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 3026 (Joint) Public Safety, Intergovernmental and Military Affairs and Health on H.B. No. 1772**

The purpose and intent of this measure is to increase United States Armed Services veterans' access to quality health care by establishing a general excise tax exemption for any amounts received by a contractor of the Patient-Centered Community Care program for the actual costs or advancement to third party health care providers pursuant to a contract with the United States.

Your Committees received testimony in support of this measure from the Department of Taxation; Military Officers Association of America, Hawaii Chapter; and TriWest Healthcare Alliance Inc. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that the Patient-Centered Community Care program is an innovative solution to help the United States Department of Veterans Affairs' medical centers provide quality and efficient health care to veterans. This program enables the United States Department of Veterans Affairs to work with local community health care providers to give veterans access to high-quality care closer to home.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1772, 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.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3027 Water and Land on H.B. No. 1916**

The purpose and intent of this measure is to appropriate funds to the Hawaii Association of Conservation Districts for staffing and operating costs while the districts develop sustainable funding mechanisms.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, Department of Health, Hawaii Cattlemen's Council, Hawaii Association of Conservation Districts, Hawai'i Farm Bureau, Edmund C. Olson Trust, Sugarland Growers, Inc., Maui County Farm Bureau, South Oahu Soil & Water Conservation District, and seven individuals.

Your Committee finds that the Hawaii Association of Conservation Districts, through coordination, facilitation, and partnerships, assists government agencies in identifying and implementing culturally sensitive projects and practices to ensure the protection of Hawaii's environment. The Hawaii Association of Conservation Districts is composed of sixteen districts representing every community on all major islands of Hawaii. Each of the sixteen districts is governed by five volunteer directors and is supported by staff. The Department of Land and Natural Resources provides administration and maintains oversight authority of the soil and water conservation districts.

Your Committee further finds that agriculture in Hawaii is rapidly evolving. Many new farmers are immigrants who commonly are unfamiliar with United States laws. Educational assistance, including education about conservation measures, will be important to ensure that these new farmers and ranchers adopt good environmental stewardship as a core value while seeking economic viability.

Your Committee has amended this measure by:

- (1) On the recommendation of the Department of Land and Natural Resources, inserting an appropriation amount of \$220,000; and
- (2) 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1916, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1916, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 3028 Water and Land on H.B. No. 1911**

The purpose and intent of this measure is to:

- (1) Require the Department of Land and Natural Resources to conduct a study examining the feasibility of establishing a noncommercial fishing license program; and
- (2) Appropriate funds for the Department of Land and Natural Resources to conduct the study.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that the protection of aquatic resources is important for cultural, economic, and environmental reasons. Wise management of aquatic resources is necessary to ensure that these resources are available for future generations. Your Committee further finds that fishing licensing programs are an effective way to protect and conserve aquatic resources; however, the State currently requires licenses and reporting for commercial, but not noncommercial, taking of aquatic life. The implementation of a noncommercial fishing license program and the gathering of more accurate data, such as species of fish that are taken noncommercially, the amounts that are taken, and the areas of the State from which fish are taken, would allow the Department of Land and Natural Resources to more effectively manage the State's aquatic resources.

Your Committee has amended this measure, on the recommendation of the Department of Land and Natural Resources, by inserting an appropriation amount of \$25,000.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1911, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1911, 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, 8. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 3029 Water and Land on H.B. No. 1885**

The purpose and intent of this measure is to make an appropriation to the Department of Land and Natural Resources for planning for infrastructure for the passive recreation area of Sand Island State Recreation Area.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that it is imperative to not only preserve rare pockets of urban recreational spaces that serve Oahu's growing population, including Sand Island State Recreation Area, but to also enhance those areas with fundamentally safe and managed access and infrastructure. Your Committee further finds that an investment is warranted in sustainable and fundamental infrastructure such as roadway access, parking facilities, utilities, showers, and comfort stations to ensure that passive ocean recreation in the remaining undeveloped portion of Sand Island State Recreation Area remains available to the public.

Your Committee has amended this measure by:

- (1) On the recommendation of the Department of Land and Natural Resources, inserting an appropriation amount of \$1,200,000; and
- (2) 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1885, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1885, 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, 8. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 3030 Water and Land on H.B. No. 1553**

The purpose and intent of this measure is to make appropriations for the Aha Moku Advisory Committee for:

- (1) Administrative and operational expenses; and
- (2) Community education on the administrative structure regarding the aha moku system and on natural and cultural resource management.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Aha Moku Advisory Committee, and Association of Hawaiian Civic Clubs.

Your Committee finds that the funds appropriated in this measure will be truly helpful to the aha moku system. The Department of Land and Natural Resources has appropriated as part of the Administration's package the sum of \$110,000 for the operational expenses for fiscal year 2014-2015. However, that amount is for the salary of one position and some travel for the Aha Moku Advisory Committee to meet. Community outreach is critical and entails public community meetings, moku meetings, and the expenses incurred in these operations.

Your Committee has amended this measure, on the recommendation of the Department of Land and Natural Resources, by inserting appropriation amounts of:

- (1) \$75,000 for administration and operational expenses; and
- (2) \$35,000 for community education.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1553, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 3031 (Majority) Water and Land on H.B. No. 1902**

The purpose and intent of this measure is to enhance and maintain public hunting opportunities by:

- (1) Requiring the Department of Land and Natural Resources to make reasonable efforts to prevent and mitigate the loss, destruction, or degradation of public hunting areas;
- (2) Requiring the Department of Land and Natural Resources to make reasonable efforts to acquire, restore, enhance, and manage public lands to replace land unavailable for hunting with land that meets specified criteria;
- (3) Requiring the Department of Land and Natural Resources to report annually to the Legislature regarding certain information about public hunting lands;
- (4) Establishing the Hunting Advisory Commission to serve in an advisory capacity to the Board of Land and Natural Resources; and
- (5) Making an appropriation to the Department of Land and Natural Resources for the administrative expenses of the Hunting Advisory Commission.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Hawai'i, Hawaii Rifle Association, Kaua'i Watershed Alliance, Game Management Advisory Commission, Hawaii Sportsmen Alliance, Hui Kuahiwi, National Wild Turkey Federation, National Rifle Association, Mauna Kea Recreational Users Group, and numerous individuals. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources, The Nature Conservancy, Hawaii Conservation Foundation, O'ahu Invasive Species Committee, Hawaii Audubon Society, Friends of Hakalau Forest National Wildlife Refuge, Big Island Invasive Species Committee, and ten individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that the enhancement and maintenance of public hunting opportunities are of critical importance to the State. A coordinated effort involving stakeholders is needed to prevent and offset the loss, destruction, or degradation of public hunting areas on any island of the State and expeditiously find replacement land for hunting.

Section 183D-2(12), Hawaii Revised Statutes, relating to powers and duties of the Department of Land and Natural Resources in wildlife management, mandates the Department of Land and Natural Resources to preserve, protect, and promote public hunting. This measure is consistent with that statutory obligation.

Your Committee further finds that a Hawaii County referendum ballot item, relating to establishing a Game Management Advisory Commission, was adopted in the 2012 General Election. The referendum established the Game Management Advisory Commission to accomplish the following:

“advise County, State and Federal agencies on matters related to the preservation of subsistence hunting and fishing, as well as protecting traditional and cultural gathering rights. The commission may also advise County, State, and Federal

agencies on any matter affecting the taking and conservation of aquatic life and wildlife, including proposed rules, and shall communicate its findings and recommendations to these agencies. The commission shall promulgate recommendations that conserve and protect the natural and cultural resources of Hawai'i in furtherance of the self sufficiency and long-term subsistence sustainability of aquatic life and wildlife in the County.”

Also, according to a *West Hawaii Today* article of July 14, 2013, a draft game management plan was prepared for the County of Hawaii to be Hawaii's first comprehensive approach to the management of its hunting resources, which could later be applied to other counties in the State. Your Committee commends the initiative of the Mayor and County Council of Hawaii for taking such bold steps and being forward-looking, ahead of the State and the other counties.

Your Committee has amended this measure by:

- (1) Clarifying the purpose section;
- (2) Deleting language that related to net loss of public hunting areas;
- (3) Increasing the number of members of the Hunting Advisory Commission from eleven to twelve members;
- (4) Requiring the Commission to meet not less than quarterly;
- (5) Clarifying that the two members of the Department of Land and Natural Resources to be designated by the Chairperson of the Board of Land and Natural Resources shall have experience in sustainable game management principles and practices;
- (6) Adding the Executive Director of the Aha Moku Advisory Council in place of a member possessing a background in native Hawaiian traditional and customary practices;
- (7) Establishing a hunting pilot program as an undertaking of the Hunting Advisory Commission, to sunset on June 30, 2020, on the island of Hawaii to:
  - (A) Recommend public lands to be designated as public hunting areas while preserving designated watershed areas that are protected in accordance with law;
  - (B) Implement a game management plan or hunting plan after consultation with the hunting community and the appropriate county agency having jurisdiction over hunting and natural resource preservation; and
  - (C) Report to the Legislature efforts to implement the pilot program and results of the pilot program; and
- (8) Inserting an appropriation amount of \$110,000 for administrative expenses of the hunting advisory commission, to be matched by the County of Hawaii.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1902, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1902, 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, 7. Noes, 1 (Ruderman). Excused, 1 (Taniguchi).

### **SCRep. 3032 (Joint) Water and Land and Hawaiian Affairs on H.B. No. 2101**

The purpose and intent of this measure is to utilize a portion of state conveyance tax revenue up to a maximum dollar amount to replenish the Kaho'olawe rehabilitation trust fund to be used for the long-term rehabilitation and maintenance of the island reserve.

Your Committees received testimony in support of this measure from the County of Maui Department of Planning, Kaho'olawe Island Reserve Commission, Office of Hawaiian Affairs, and one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources, Department of Budget and Finance, Land Use Research Foundation of Hawaii, and Tax Foundation of Hawaii.

Your Committees find that when the State accepted the return of Kaho'olawe from the United States in 1994, it clearly accepted the responsibility to preserve and manage the island reserve. The terms of this acceptance were also stated in the federally mandated Kaho'olawe Island Conveyance Commission final report to Congress in 1993: “[I]n the short term, federal funds will provide the bulk of the program support for specific soil conservation projects and related activities. In the longer term, however, state revenues will be needed to continue and enhance those activities initiated with federal funds.” This funding responsibility, therefore, belongs to the State.

Your Committees believe that as the State's population increases, it becomes even more important to protect natural, cultural, and marine resources for the benefit of all of Hawaii's people. Conveyance tax revenue is, therefore, a logical method to fund resources protection.

Your Committees have amended this measure by:

- (1) Requiring the Executive Director of the Kaho'olawe Island Reserve Commission to be hired by and serve at the pleasure of the Chairperson of the Board of Land and Natural Resources after the Department of Land and Natural Resources holds a public hearing, conducted pursuant to Department rules, on the proposed hiring;
- (2) Clarifying that the monies transferred into the Kaho'olawe rehabilitation trust fund pursuant to this measure shall be used for the long-term rehabilitation and maintenance of the island reserve;
- (3) Specifying that ten percent of the conveyance tax revenues collected in each fiscal year shall be deposited into the Kaho'olawe rehabilitation trust fund, up to a maximum amount of \$3,500,000 per fiscal year;



- (4) Requiring the Kaho'olawe Island Reserve Commission to report annually to the Legislature on the amount of deposits made into and amount and details of expenditures made from the Kaho'olawe rehabilitation trust fund;
- (5) Changing the effective date to July 1, 2014, and inserting a sunset date of June 30, 2020, or recognition of the sovereign native Hawaiian entity, whichever is sooner; and
- (6) 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 Water and Land and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2101, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2101, 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.

Water and Land

Ayes, 8; Ayes with Reservations (Shimabukuro, Slom). Noes, none. Excused, 1 (Taniguchi).

Hawaiian Affairs

Ayes, 4; Ayes with Reservations (Shimabukuro, Slom). Noes, none. Excused, 1 (Hee).

**SCRep. 3033 (Joint) Energy and Environment and Water and Land on H.B. No. 1716**

The purpose and intent of this measure is to appropriate funds for projects undertaken in accordance with the Hawaii Invasive Species Council, including projects for invasive species prevention, control, outreach, research, and planning.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, Office of Planning, Hawaii Invasive Species Council, Office of the Mayor of Maui County, Oahu Invasive Species Committee, Big Island Invasive Species Committee, The Nature Conservancy of Hawaii, Hawaii Green Growth, and three individuals.

Your Committees find that the invasion of Hawaii by insects, disease-bearing organisms, snakes, weeds, and other pests is the single greatest threat to Hawaii's economy and natural environment and to the health and lifestyle of Hawaii's people. Immediate action is needed to mitigate the threats and impacts of invasive species.

Your Committees further find that pests already cause millions of dollars in crop losses, the extinction of native species, the destruction of native forests, and the spread of disease, but many more harmful pests now threaten to invade Hawaii and wreak further damage. For example, a 2010 study by Shwiff, et al., found that if brown tree snakes were introduced to Hawaii, the cost to the State in lost tourism, health costs, and damage to power infrastructure could total \$2,140,000,000 per year. Stopping the influx of new pests and containing their spread are essential to Hawaii's current and future well-being.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1716, 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.

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Taniguchi, Slom).

**SCRep. 3034 (Joint) Energy and Environment and Water and Land on H.B. No. 1714**

The purpose and intent of this measure is to:

- (1) Address climate change adaptation by tasking the Interagency Climate Adaptation Committee under the Department of Land and Natural Resources with creating sea level rise vulnerability and adaptation reports;
- (2) Task the Office of Planning with establishing and implementing strategic climate adaptation plans and a framework for addressing other climate threats and adaptation priorities based on sea level rise vulnerability and adaptation reports; and
- (3) Appropriate funds for staffing and resources related to addressing climate change adaptation.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Health, University of Hawaii, State Sustainability Coordinator, Hawaii Green Growth, Democratic Party of Hawaii, Surfrider Foundation, and six individuals. Your Committees received comments on this measure from the Office of Planning, Chamber of Commerce Hawaii, Land Use Research Foundation of Hawaii, and Windward Ahupua'a Alliance.

Your Committees find that climate change is the paramount challenge of this century, posing an urgent and long-term threat to the State's economy, sustainability, security, and way of life. Rising sea levels will increase coastal flooding and erosion, damaging coastal ecosystems and infrastructure and affecting agriculture, tourism, military bases, and other industries. Threats to the traditional lifestyles of indigenous communities may include destruction of coastal artifacts and structures and reduced availability of traditional food sources and subsistence fisheries, which will make it difficult for Pacific Island communities to sustain their connection with a defined place and their unique set of customs, beliefs, and languages.

Your Committees further find that beach erosion, drought, and rising temperatures are already having measurable impacts on Hawaii and are expected to accelerate in the years to come. With beaches continuing to erode, rain continuing to diminish, and sea levels projected to rise one foot by 2050 and three feet by 2100, Hawaii is highly vulnerable. The State needs to adapt to the effects of

climate change, particularly sea level rise, before these impacts grow beyond our ability to prevent the worst impacts on our economy, environment, and way of life.

Your Committees have amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 2344, S.D. 1 (Regular Session of Hawaii 2014), which:
  - (A) Establishes an Interagency Sea Level Rise Vulnerability and Adaptation Committee within the Department of Land and Natural Resources;
  - (B) Requires the Interagency Sea Level Rise Vulnerability and Adaptation Committee to submit a sea level rise vulnerability and adaptation report for Hawaii through the year 2050 by December 31, 2017;
  - (C) Specifies members of the Interagency Sea Level Rise Vulnerability and Adaptation Committee;
  - (D) Specifies the formulation of the sea level rise vulnerability and adaptation report;
  - (E) Requires the Interagency Sea Level Rise and Vulnerability and Adaptation Committee to reevaluate the sea level rise vulnerability and adaptation report every five years;
  - (F) Requires the Office of Planning to conduct plans and studies and prepare reports to:
    - (i) Develop, monitor, and evaluate strategic climate adaptation plans and actionable policy recommendations addressing expected statewide climate change impacts;
    - (ii) Provide planning and policy guidance and assistance to state and county agencies regarding climate change; and
    - (iii) Publish its findings, recommendations, and progress reports on actions taken no later than December 31, 2017, and its annual report to the Governor and Legislature;
  - (G) Appropriates \$58,874 to the Office of Planning for one full-time equivalent (FTE) position and resources to carry out the purposes of this measure;
  - (H) Appropriates \$58,874 to the Department of Land and Natural Resources for staffing, including one full-time equivalent (FTE) position, and resources to carry out the purposes of this measure;
  - (I) Appropriates \$400,000 to the Department of Land and Natural Resources to research and develop a coordinated, multidisciplinary sea level rise vulnerability and adaptation report; and
  - (J) Appropriates \$50,000 to the Office of Planning to carry out the purposes of this measure; and
- (2) 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 Energy and Environment and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1714, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1714, 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.

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Taniguchi, Slom).

**SCRep. 3035 Technology and the Arts on H.B. No. 2080**

The purpose and intent of this measure is to establish theft of any computer that may be used to store or retrieve personal information as theft in the second degree.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu and seven individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that thieves often target computers and other electronic devices to gain access to private and financial information that can cause great damage to an individual. This measure broadens the offense of theft in the second degree to include theft of any computer capable of storing or retrieving personal information.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2080, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 3036 Technology and the Arts on H.B. No. 1641**

The purpose and intent of this measure is to increase the privacy rights of individuals and simplify the standards by which law enforcement is able to access certain information by:

- (1) Requiring a search warrant in order to compel disclosure to a government entity of the contents of electronic communications, regardless of whether the communications were held in storage or not, how long the communications have existed, or if the communications are classified as retrieved or unretrieved; and
- (2) Requiring a court order in order to compel disclosure to a governmental entity of non real-time, or historical, transactional records and requiring the court order to issue only if the governmental entity demonstrates probable cause that the records sought constitute a crime or are relevant to a legitimate law enforcement inquiry.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, and the Mestizo Association.

Your Committee finds that users of electronic communication services and remote storage providers have various privacy rights. Existing state law requires law enforcement to obtain a court order before having access to retrieved electronic mail and electronic mail that has been held in storage for more than one hundred eighty days. Furthermore, probable cause must be shown for the issuance of a court order to access transactional records. This measure provides even greater privacy protection for individuals by requiring a search warrant for disclosure of electronic communications and streamlines the criteria that law enforcement must satisfy to access certain information, without unduly interfering with law enforcement's need to investigate criminal activity.

Your Committee has amended this measure by inserting an effective date of July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1641, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**SCRep. 3037 (Joint) Technology and the Arts and Commerce and Consumer Protection on H.B. No. 2242**

The purpose and intent of this measure is to address issues that have arisen due to the use of new technology by making the following criminal offenses applicable to electronic or digital statements, documents, or records:

- (1) Falsifying business records;
- (2) Obtaining a government-issued identification document under false pretenses in the first degree;
- (3) Obtaining a government-issued identification document under false pretenses in the second degree;
- (4) Tampering with a government record; and
- (5) Unsworn falsification to authorities.

Your Committees received testimony in support of this measure from the Department of the Attorney General.

Your Committees find that with current technology, many transactions are handled electronically and records are often kept in electronic or digital form. In 2000, Hawaii adopted the Uniform Electronic Transactions Act, chapter 489E, Hawaii Revised Statutes, to recognize the need to establish the legal validity of electronic records, signatures, and contracts. However, criminal offenses have not been updated to take into account the prevalent use of new technology and the consequent use of new technology to commit a variety of crimes. This measure protects consumers by making relevant criminal offenses also applicable to electronic or digital statements, documents, or records.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts 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. 2242, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Wakai).

**SCRep. 3038 (Joint) Technology and the Arts and Commerce and Consumer Protection on H.B. No. 2666**

The purpose and intent of this measure is to extend the law allowing a business to scan an individual's driver's license or identification card to verify age when providing age-restricted goods.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Department of Liquor Control of the County of Kauai, Department of Liquor Control of the County of Hawaii, Liquor Commission of the City and County of Honolulu, Hawaii Food Industry Association, and Seven-Eleven Hawaii, Inc. Your Committees received testimony in opposition to this measure from the Department of Customer Services of the City and County of Honolulu and American Civil Liberties Union of Hawaii.

Your Committees find that identity theft is a serious crime with lasting negative repercussions for individual victims. Information from a stolen state identification card or driver's license is a valuable source of information for identity thieves. Minimizing the exposure of an individual's protected information is critical, and imposing reasonable restrictions on the scanning of driver's licenses and state identification cards promotes the privacy interests of individuals and limits exposure of personal information. On the other

hand, businesses selling age-restricted products greatly benefit from the ability to scan the identifications of all customers for the purpose of verifying age. This measure balances the need to obtain personal information with the need to protect consumers.

Your Committees have amended this measure by:

- (1) Deleting the requirement that driver's licenses and identification cards allowed to be scanned be Hawaii licenses or identification cards, to broaden the protections provided by this measure; and
- (2) 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 Technology and the Arts 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. 2666, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2666, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

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

Commerce and Consumer Protection

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

**SCRep. 3039 (Joint) Economic Development, Government Operations and Housing and Energy and Environment on H.B. No. 1950**

The purpose and intent of this measure is to allow the production of air conditioning from a seawater air conditioning cooling system within an area or district designated as an enterprise zone to benefit as an "eligible business activity" under the State's enterprise zones program.

Your Committees received testimony in support of this measure from the Chamber of Commerce Hawaii, Ulupono Initiative, and one individual. Your Committees received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism. Your Committees received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and one individual.

Your Committees find that seawater air conditioning district cooling systems help to reduce the State's dependence on fossil fuels and help its economy. A seawater air conditioning district cooling system can potentially reduce Hawaii's dependence on imported oil, while generating millions of dollars in construction project spending and creating a significant amount of long-term, gainful employment.

Your Committees have heard testimony expressing concerns about incorporating other clean energy technologies as eligible business activities under the State's enterprise zones program. Your Committees find that this issue raises concerns that merit further discussion and requests that your Committee on Ways and Means further examine those issues and concerns so that Hawaii can reach its energy sustainability goals by 2050.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations 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. 1950, H.D. 2, 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.

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Baker, English).

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 3040 (Joint) Economic Development, Government Operations and Housing and Judiciary and Labor on H.B. No. 2217**

The purpose and intent of this measure is to authorize and appropriate funds for the Department of Labor and Industrial Relations to establish working groups to identify high growth industries and workforce needs and to develop training programs.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau and Chamber of Commerce Hawaii. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Labor and Industrial Relations.

Your Committees find that Hawaii is the most geographically isolated archipelago in the world and has an economy that currently depends on very few and finite resources. With an economy heavily dependent on the military and tourism, developing dependable industries that will stabilize and grow the economy is vital for the State's continued development.

Your Committees further find that, to create conditions that would energize the development of new economic industries in Hawaii, a partnership consisting of educational and workforce and labor development sources would foster the private-sector confidence necessary for investors to consider developing new industries in Hawaii and ensure the hiring of residents who have been educated in these high-skill, high-wage industries. Models of coordinated, sustained, and collaborative partnerships directed toward workforce development and training rely on working groups consisting of representatives of specific targeted industries, education, and the workforce community to help identify emerging workforce trends, determine skills required, and develop education and training to produce qualified workers with the necessary skills. The relationships established through these working groups will be essential to leverage workforce development efforts within these partnerships.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2217, H.D. 2, 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.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, English, Wakai).

Judiciary and Labor  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 3041 (Majority) Judiciary and Labor on H.B. No. 2413**

The purpose and intent of this measure is to include public-private partnerships under the prevailing wage law for public construction work by amending the definition of “governmental contracting agency”.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawaii Operating Engineers Industry Stabilization Fund, Hawaii Laborers-Employers Cooperation and Education Trust, Hawaii Construction Alliance, Hawaii Regional Council of Carpenters, and The Pacific Resource Partnership.

Your Committee finds that the existing definition of “governmental contracting agency” under chapter 104, Hawaii Revised Statutes, does not specifically include public-private agreements. Public-private construction projects are public works projects that are funded and operated through a partnership of government and private-sector companies. This measure ensures that prevailing wages are paid to workers involved in public-private partnerships.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2413, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2413, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 3042 Judiciary and Labor on H.B. No. 2400**

The purpose and intent of this measure is to provide temporary disability benefits to employees who suffer disabilities caused by organ donation.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Department of Human Resources Development, The Queen’s Health Systems, and one individual.

Your Committee finds that the existing temporary disability benefits law does not cover an organ donor’s total inability to work due to an organ donation. Your Committee notes that the act of organ donation can be physically challenging and requires adequate time for recuperation. This measure will provide relief and support to recovering organ donors.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2400, 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. 3043 (Majority) Judiciary and Labor on H.B. No. 2038**

The purpose and intent of this measure is to establish the human trafficking victim services fund to be administered by the Department of Labor and Industrial Relations to provide support and services to human trafficking victims.

Your Committee received testimony in support of this measure from the Office of the Prosecuting Attorney, County of Kauai; Americans for Democratic Action/Hawaii; Hawaii Catholic Conference; The Pacific Alliance to Stop Slavery; Hawaii Family Forum; Hawaii Women’s Coalition; IMUAlliance; and twenty individuals. Your Committee received comments on this measure from the Office of Community Services of the Department of Labor and Industrial Relations and Department of Budget and Finance.

Your Committee finds that existing law does not provide a source of revenue to support and provide services to human trafficking victims. Human trafficking victims often face immediate need for access to basic and life-sustaining services, including toiletries and food. Some victims also require long-term access to stable and supportive environments, such as licensed residential treatment facilities. This measure assists in providing the necessary funding for support and services to human trafficking victims.

Your Committee has amended this measure by clarifying that the disbursement of money from the human trafficking victim services fund is required to be used for support and services to victims of trafficking crimes related to part I of chapter 712, Hawaii Revised Statutes, rather than victims of promoting prostitution in the first degree under section 712-1202, Hawaii Revised Statutes, or a severe form of trafficking as defined under title 22 United States Code section 7102; and making conforming amendments to reflect this amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2038, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2038, 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, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 3044 Judiciary and Labor on H.B. No. 1977**

The purpose and intent of this measure is to amend the collective bargaining laws to:

- (1) Require parties in arbitration to include in their final positions only those proposals that were previously submitted in writing before impasse and about which an impasse in collective bargaining has been reached; and
- (2) Authorize the arbitration panel to decide whether final positions comply with all requirements and which proposals may be considered for inclusion in the final agreement.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; and University of Hawaii Professional Assembly. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance, Department of Education, Office of Collective Bargaining, and Department of Human Resources of the City and County of Honolulu.

Your Committee finds that this measure clarifies the procedures for final positions in arbitration proceedings by requiring parties in arbitration to include in their final positions only those proposals that were previously submitted in writing before impasse and about which an impasse in collective bargaining has been reached. Furthermore, the Hawaii Government Employees Association testified that this measure creates a cost-effective dispute resolution mechanism to determine whether final positions can be included in the final agreement by authorizing the arbitration panel, rather than the Hawaii Labor Relations Board, to make such a determination.

Your Committee has amended this measure by adopting the language suggested by the Hawaii Government Employees Association to:

- (1) Delete language that requires parties in arbitration to include in their final positions only those proposals that were previously submitted in writing before impasse and about which an impasse in collective bargaining has been reached, and insert language that allows the inclusion of all further provisions in a final position if such further provisions are limited to those specific proposals that were submitted in writing to the other party and were the subject of collective bargaining between the parties up to the time of the impasse, including specific proposals that the parties have decided to include through a written mutual agreement;
- (2) Change the effective date from July 1, 2030, to July 1, 2014; and
- (3) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1977, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1977, 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, 6; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Ihara).

**SCRep. 3045 Judiciary and Labor on H.B. No. 1974**

The purpose and intent of this measure is to implement the recommendations of Auditor's Report No. 13-10 by:

- (1) Requiring the Director of Labor and Industrial Relations to update the workers' compensation medical fee schedule annually;
- (2) Authorizing the Director of Labor and Industrial Relations to establish a maximum allowable fee ceiling that is higher than one hundred ten percent of fees prescribed in the Medicare Resource Based Relative Value Scale (Medicare fee schedule) applicable to Hawaii for Evaluation and Management (E/M) medical services;
- (3) Appropriating an unspecified amount for fiscal year 2014-2015 for the Department of Labor and Industrial Relations to contract for an analysis of the impact this measure will have on workers' compensation claimants' access to appropriate treatment;
- (4) Appropriating an unspecified amount for fiscal year 2014-2015 for two full-time equivalent positions for the Department of Labor and Industrial Relations; and
- (5) Establishing a sunset date of June 30, 2019.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Office of the Auditor; Hawaii Medical Association; International Longshore and Warehouse Union, Local 142; Work Injury Medical Association of Hawaii; Kaiser Permanente Hawaii; and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Insurers Council, Chamber of Commerce Hawaii, National Association of Mutual Insurance Companies, and Property Casualty Insurers Association of America. Your Committee received comments on this measure from the Department of Human Resources Development and Department of Human Resources of the City and County of Honolulu.

Your Committee finds that the liability of an employer for medical care, services, and supplies is limited to charges up to one hundred ten percent of the federal Medicare fee schedule applicable to Hawaii. The Director of Labor and Industrial Relations uses the Medicare fee schedule to determine the charges for medical care and services in workers' compensation claims and is required to update the workers' compensation medical fee schedule and any additional fee schedules at least once every three years. The growing disparity between declining reimbursement rates, based on the fee schedules, and increasing health care costs for providers has resulted in fewer and fewer providers choosing to treat injured workers, especially on the neighbor islands.

Your Committee further finds that Act 97, Session Laws of Hawaii 2013, requested the Auditor to assist the Department of Labor and Industrial Relations to create a methodology to administratively adjust the State's workers' compensation medical fee schedule. The purpose of this methodology is to identify health care services for which fee adjustments are needed and provide injured employees with better access to treatment.

As a result, the Auditor made several recommendations under Auditor's Report No. 13-10 for the Department of Labor and Industrial Relations, including the adoption of a methodology that collects and analyzes transacted current procedural terminology code data and the establishment of a second maximum allowable fee ceiling that would only be applicable to E/M medical services that have been identified by stakeholders as applicable to workers' compensation cases. Furthermore, the Auditor proposed several actions for consideration by the Legislature, including empowering the Director of Labor and Industrial Relations to establish a maximum allowable fee ceiling for eligible E/M codes. This measure implements the recommendations made by the Auditor.

Your Committee notes the concerns raised in testimony regarding the link between workers' compensation medical fee schedules and automobile insurance claims established under section 431:10C-308.5, Hawaii Revised Statutes. Your Committee believes that this link merits further discussion by your Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1974, 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; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Galuteria, Ihara, Shimabukuro).

**SCRep. 3046 (Majority Judiciary and Labor on H.B. No. 1973**

The purpose and intent of this measure is to provide an incentive for injured workers to return to part-time work by requiring employers to make timely payment of temporary partial disability benefits to their injured workers. Specifically, this measure:

- (1) Imposes a penalty on an employer or insurance carrier who does not pay an employee temporary partial disability benefits within fourteen calendar days after the end of the employee's customary workweek;
- (2) Requires that such penalty is due and payable to the employee without the necessity of an order or decision from the Director of Labor and Industrial Relations;
- (3) Clarifies that an employee's eligibility for temporary total or partial disability benefits shall be determined by certification from the employee's attending physician every thirty days or by an examination of the entirety of the employee's available medical records by another physician, if the employee's attending physician is not available;
- (4) Establishes that failure of the employee's attending physician to certify the dates of disability in an interim report does not automatically disqualify the employee from receiving temporary total or partial disability benefits;
- (5) Allows contemporaneous certification of disability to be waived and retroactive certification of disability to be allowed under certain conditions; and
- (6) Clarifies that the certification requirements only apply during the period that an employee's injuries have not reached medical stabilization or the employee is enrolled in the vocational rehabilitation process.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; International Longshore and Warehouse Union, Local 142; and five individuals. Your Committee received testimony in opposition to this measure from the Department of Human Resources Development; Department of Accounting and General Services; Department of Human Resources, City and County of Honolulu; Hawaii Insurers Council; Building Industry Association of Hawaii; Chamber of Commerce Hawaii; Property Casualty Insurers Association of America; National Association of Mutual Insurance Companies; Hawaiian Electric Company, Inc.; John Mullen & Co., Inc.; and Kona-Kohala Chamber of Commerce.

Your Committee finds that existing law imposes a penalty on an employer or insurance carrier for nonpayment of temporary total disability benefits but does not impose penalties for nonpayment of temporary partial disability benefits. The Department of Labor and Industrial Relations testified that one of the underlying policies in workers' compensation is to encourage an injured employee to promptly return to work. However, existing law discourages an injured worker to return because it is uncertain whether temporary partial disability benefits will be paid in a timely manner. This measure provides an incentive for injured workers to return to part-time work by requiring employers to make timely payment of temporary partial disability benefits to their injured workers.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of Labor and Industrial Relations to:
  - (A) Add to section 1 language that clarifies that although temporary total disability benefits and temporary partial disability benefits are treated differently under the law, both are deemed compensation under the workers' compensation law, and establishes that this measure attempts to provide more uniform application of workers' compensation case law and provide statutory entitlements that are due to disabled employees;
  - (B) Clarify that an employer or insurance carrier shall pay an employee temporary partial disability benefits within fourteen calendar days after the end of the employee's workweek as defined under administrative rule, rather than the customary workweek;
  - (C) Include any sanctions assessed pursuant to section 386-92(a), Hawaii Revised Statutes, to the penalty imposed on an employer or insurance carrier who fails to pay an employee temporary partial disability benefits within the required time period;

- (D) Add that a nonpayment of disability benefits is excused if the employer or insurance carrier was unable to make payment due to conditions over which the employer or insurance carrier had no control, including compliance with public employment pay periods;
  - (E) Replace "attending physician" with "primary care physician";
  - (F) Clarify that an employee's eligibility for disability benefits shall be determined by an examination of the employee's available medical records by another physician who has been involved in the employee's treatment and approved by the Director of Labor and Industrial Relations if the employee's primary care physician is not available;
  - (G) Clarify that the failure of the employee's primary care physician to certify the dates of disability in an interim report does not disqualify, rather than automatically disqualify, the employee from disability benefits;
  - (H) Clarify that contemporaneous certification of disability can be waived and retroactive certification of disability is allowed if another physician who has been involved in the employee's treatment and approved by the Director of Labor and Industrial Relations has an opportunity to examine the employee's previous medical records in the current pending claim in the case that the employee's primary care physician is not available; and
  - (I) Clarify that retroactive certification of disability may be requested only once for the entire claim and shall be made within twelve months of the date of the request; and
- (2) Changing the effective date from July 1, 2300, to upon approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1973, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1973, 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, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 3047 Judiciary and Labor on H.B. No. 1966**

The purpose and intent of this measure is to require the Auditor to review the current civil service exemption process and recommend procedures, guidelines, and criteria to ensure that the civil service exemption process is used appropriately and only in extraordinary circumstances. Specifically, this measure requires the Auditor to:

- (1) Work with state departments and agencies, including the Department of Human Resources Development and other interested parties, to:
  - (A) Determine the reasons state departments and agencies have circumvented the civil service exemption process; and
  - (B) Recommend modifications to streamline and update the process for modernizing and reconciling job position descriptions within state departments and agencies; and
- (2) Submit a report to the Legislature of its findings and recommendations, including proposed legislation, prior to the convening of the Regular Session of 2015.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Your Committee received comments on this measure from the Department of Human Resources Development and Office of Community Services of the Department of Labor and Industrial Relations.

Your Committee finds that section 76-16(b), Hawaii Revised Statutes, allows certain exemptions from the civil service employment law. According to the *Report to the 2014 Legislature on Positions Exempted from the Civil Service as Required by Act 300, Session Laws of Hawaii 2006*, as of November 1, 2013, there were 2,894 civil service exempt employees within the State's Executive Branch. The Hawaii Government Employees Association estimated that approximately eight to nine percent of all state employees hold positions that are exempt from civil service. The Hawaii Government Employees Association testified that a two-tiered system exists within state employment that results in inequities between civil service exempt employees and civil service employees.

Your Committee further finds that the purpose of Act 253, Session Laws of Hawaii 2000, and Act 300, Session Laws of Hawaii 2006, was to reduce the number of civil service exempt employees in public service. However, since the enactment of these Acts, there have been few conversions of civil service exempt positions to civil service positions. This measure will facilitate a review, modernization, and improvement of the civil service exemption process to provide mechanisms and incentives for the retention of a high quality government workforce.

Your Committee has amended this measure by:

- (1) Adopting the suggestion made by the Department of Human Resources Development to:
  - (A) Delete language under the purpose section that relates to a correlation between civil service exemptions and lack of updated position descriptions; and
  - (B) Clarify that the Auditor shall determine the reason state departments and agencies have used, rather than circumvented, the civil service exemption process;
- (2) Deleting language that requires the Auditor to work with state departments and agencies, including the Department of Human Resources Development; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1966, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1966, 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. 3048 Judiciary and Labor on H.B. No. 1844**

The purpose and intent of this measure is to propose a constitutional amendment to increase the threshold value in controversy requirement for jury trials in civil cases from \$5,000 to \$10,000.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from State Farm Hawaii.

Your Committee finds that this measure reflects inflation and is intended to lessen the burden on Circuit Courts with matters not involving large sums of money. This measure is also intended to lessen the costs of a jury trial in Circuit Court, which can be much slower and more expensive than if a bench trial is held in District Court.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1844, 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, 6. Noes, none. Excused, 1 (Solomon).

**SCRep. 3049 Judiciary and Labor on H.B. No. 1288**

The purpose and intent of this measure is to amend the order of succession to the Office of Lieutenant Governor. Specifically, this measure:

- (1) Requires that when the Office of Lieutenant Governor is vacant by reason of the Lieutenant Governor's becoming Governor, failure to qualify, removal from office, death, resignation, or otherwise, the successor, whether the President of the Senate, Speaker of the House of Representatives, or a person appointed by the Governor who is qualified to hold the Office of Lieutenant Governor, shall be of the same political party as the Governor; and
- (2) Repeals the authorization for the Attorney General, Director of Finance, Comptroller, Director of Taxation, and Director of Human Resources Development to succeed to the Office of Lieutenant Governor and instead authorizes these officers, in the order named, to temporarily exercise the powers and perform the duties of the Lieutenant Governor in the temporary absence or disablement of the Lieutenant Governor, including the powers and duties of the Office of Governor when that office is vacant or the Governor is absent or unable to exercise the powers and duties of the Office of Governor.

Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that this measure clarifies the order and requirements of succession to the Office of Lieutenant Governor under certain circumstances.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1288, 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, 6. Noes, none. Excused, 1 (Solomon).

**SCRep. 3050 Judiciary and Labor on H.B. No. 493**

The purpose and intent of this measure is to:

- (1) Establish a reporting requirement for any dog or cat captured or killed in any steel-jawed leg-hold trap, snare, conibear trap, or foot- or leg-hold trap;
- (2) Establish an animal cruelty offense for the use of snares, conibear traps, and foot- or leg-hold traps in residential areas and the use of steel-jawed leg-hold traps;
- (3) Provide an exemption for certain activities carried out by state and federal agencies; and
- (4) Establish the offense as a misdemeanor.

Your Committee received testimony in support of this measure from the Hawaiian Humane Society and one individual.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this language by deleting its contents and inserting language to establish a new chapter in the Hawaii Revised Statutes, to:

- (1) Include within the definition of "ivory products" ivory from elephants, hippopotamuses, walruses, whales, and narwhals;
- (2) Establish the offense of the unlawful sale or trade of ivory products for any person who imports, sells, offers to sell, or possesses with the intent to sell any ivory product;
- (3) Create exemptions for the sale or trade of ivory products, including antique ivory or ivory legally imported prior to 1975 if from an Asian elephant or prior to 1990 if from an African elephant; provided that the seller can demonstrate that the ivory

product meets the requirements per Director's Order No. 210 dated February 25, 2014, from the United States Fish and Wildlife Service, "Administrative Actions to Strengthen U.S. Trade Controls for Elephant Ivory, Rhinoceros Horn, and Parts and Products of Other Species Listed Under the Endangered Species Act (ESA)"; and

- (4) Allow the forfeiture of seized ivory products and provide remedies.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources, The Humane Society of the United States, Humane Society International, Natural Resource Defense Council, Oahu Society for the Prevention of Cruelty to Animals, and seventy-six individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from one individual.

Your Committee finds that African elephants are nearing extinction due to the high price of ivory that is driven by an increase in consumer demand. Tusks are traded internationally and sold worldwide as carved trinkets. An investigation supported by The Humane Society of the United States and Humane Society International found that Hawaii is the third highest retailer of elephant ivory in the United States, behind California and New York.

Your Committee notes that the Legislature adopted S.C.R. No. 149, S.D. 1 (2013), which urged Hawaii residents and businesses to comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora and not buy or sell ivory of unknown origin. However, ivory of unknown origin and age continues to be sold in Hawaii. Your Committee further notes that the prohibition on the sale of ivory should not only apply to elephant ivory, but also to other animals that have ivory teeth or tusks to prevent an increase in poaching of these other species if the sale of ivory products from the African elephant is prohibited. Accordingly, the proposed S.D. 1 ensures the continued existence of African elephants and other animals that have ivory teeth or tusks by taking positive actions to enhance prospects for their survival.

The Humane Society of the United States testified that the proposed S.D. 1 is not intended to prohibit the following:

- (1) The personal or private possession of ivory products, only the sale of ivory products;
- (2) The passing down of Native Hawaiian or family heirlooms made of ivory;
- (3) Ivory products for display in museums for educational or research purposes;
- (4) Other ivory products that are permitted by the United States Fish and Wildlife Services; and
- (5) Appraisals of personally or privately possessed ivory products performed for insurance purposes.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and amending it further by adopting the language suggested by The Humane Society of the United States to:

- (1) Clarify that the one of the purposes of the new chapter proposed to be added to the Hawaii Revised Statutes is to create an exemption for the sale or trade of ivory products, including antique ivory or ivory legally, rather than illegally, imported prior to a certain year depending on the species of elephant;
- (2) Clarify that the exemption to the offense of unlawful sale or trade of ivory products applies to a person selling, offering for sale, or possessing with intent to sell any ivory products or product containing ivory who possesses documentation, if the person provides such documentation to the person purchasing the ivory product, in addition to the Department of Land and Natural Resources, upon request;
- (3) Insert language to specify that the documentation regarding the ivory product being sold or traded must demonstrate that the specific ivory product was possessed or imported prior to 1972, when the Marine Mammal Protection Act was enacted, if the ivory product is walrus or whale species ivory;
- (4) Change the effective date from January 1, 2015, to July 1, 2015; and
- (5) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 493, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 493, 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 (Ihara).

**SCRep. 3051 Judiciary and Labor on H.B. No. 238**

The purpose and intent of this measure is to:

- (1) Increase the per diem payments to out-of-state witnesses in criminal cases to support and encourage out-of-state witnesses to return to Hawaii to participate in the prosecution of those cases; and
- (2) Provide an additional per diem payment to witnesses who travel interisland to attend a state court and are required to stay overnight.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu and the Office of the Prosecuting Attorney of the County of Kauai. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the last time the Legislature increased the per diem payment for out-of-state witnesses was in 1989. This amount is no longer sufficient for out-of-state witnesses to pay for their personal expenses, such as food and lodging, and discourages or prevents out-of-state witnesses from returning to the State to testify against offenders. Furthermore, the per diem amount for

witnesses who are required to travel to and stay overnight on another island to attend a state court proceeding is also insufficient. This measure will support and encourage out-of-state witnesses to testify and facilitate the prosecution of important criminal cases.

Your Committee has amended this measure by:

- (1) Inserting a per diem amount for out-of-state witnesses of \$204 per day; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 238, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 238, 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 (Ihara).

**SCRep. 3052 (Joint) Technology and the Arts and Higher Education on H.B. No. 2481**

The purpose and intent of this measure is to improve the State's science and technology industries by establishing the Hawaii High Impact Center for Commercialization in the University of Hawaii's Office of the Vice President for Research and Innovation.

Your Committees received testimony in support of this measure from the University of Hawaii; Oceanit; Spectrum Photonics, Inc.; and one individual. Your Committees received comments on this measure from the Hawaii Strategic Development Corporation.

Your Committees find that to be successful in the twenty-first century global economy, the State must be a leader in science, technology development, technology transfer, and commercialization. In recent years, the State has made significant progress, but more growth is necessary to further the State's science and technology industries. This measure advances the State's successful science and technology industries through the establishment of the Hawaii High Impact Center for Commercialization in the High Technology Development Corporation.

Your Committees have amended this measure by:

- (1) Establishing the Hawaii High Impact Center for Commercialization under the High Technology Development Corporation rather than the University of Hawaii, and making conforming amendments; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that the Hawaii Strategic Development Corporation shall provide the State with an equity share of the Hawaii High Impact Center for Commercialization's gross income, if incorporated as a nonprofit in the future.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2481, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2481, 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.

Technology and the Arts

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

Higher Education

Ayes, 6. Noes, none. Excused, 1 (Ige).

**SCRep. 3053 Human Services on H.B. No. 2577**

The purpose and intent of this measure is to prohibit smoking anywhere in a public housing project, except in a designated smoking area not less than 25 feet from any building, by:

- (1) Requiring any lease, rental agreement, permit, or license to have a provision that prohibits smoking by tenants and guests anywhere in the public housing project, other than in a designated smoking area;
- (2) Making the violation of the smoking prohibition grounds for termination and eviction; and
- (3) Authorizing the Hawaii Public Housing Authority (Authority) to adopt rules for the administration of the prohibition on smoking.

Your Committee received testimony in support of this measure from the Department of Health, Coalition for a Tobacco-Free Hawaii, and two individuals. Your Committee received comments on this measure from the Hawaii Public Housing Authority and one individual.

Your Committee finds that there are many hazards caused by involuntary exposure to tobacco smoke. The United States Surgeon General has found that there is no safe level or amount of exposure to secondhand smoke. In 2006, Hawaii enacted a smoke-free workplace and public places law to protect the public from involuntary exposure to smoke in enclosed and partially-enclosed areas, but the law excludes private residences. Your Committee further finds that the United States Department of Housing and Urban Development actively supports and encourages the creation of smoke-free residential public housing properties.

Your Committee has amended this measure by:

- (1) Deleting the requirement that any lease, rental agreement, permit, or license have a provision that prohibits smoking in the public housing project and replacing it with a general smoking prohibition that forbids smoking in any public housing project, elder or elderly household, or state low-income housing project, within:
  - (A) Each individual housing unit;
  - (B) All common areas;
  - (C) Community facilities; and
  - (D) Twenty feet from each individual building of the public housing project or state low-income housing project, and from any entrance, exit, window, and ventilation intake that serves an enclosed or partially enclosed area;
- (2) Requiring that the designated smoking areas, if any, be located no less than twenty feet from any residential or other building, instead of not less than twenty-five feet from any building;
- (3) Requiring the Authority to place and maintain "No smoking" signage at all entrances and exits of the property and authorizing the Authority to display such signage at other locations;
- (4) Defining "common areas" to mean roofs, halls, sidewalks, corridors, lobbies, stairs, stairways, fire escapes, entrances and exits of the building or buildings, basements, yards, gardens, recreational facilities, parking areas, storage spaces, and other parts of the project or household normally in common use or other areas designated by the authority;
- (5) Defining "smoking" to mean inhaling, exhaling, burning, or carrying any lighted or heated tobacco product or plant product intended for inhalation in any manner or in any form;
- (6) Removing the requirement that the Authority notify the tenant in writing of noncompliance with the smoking prohibition;
- (7) Removing the explicit authority for the Authority to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to implement the smoking prohibition;
- (8) Requiring that three violations of the smoking prohibition occur, instead of one violation, before the Authority may terminate a lease, rental agreement, permit, or license, or evict from the premises any tenant, licensee, or other occupant; and
- (9) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2577, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2577, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 3054 (Joint) Human Services and Health on H.B. No. 1752**

The purpose and intent of this measure is to provide quality, cost-effective health care for Hawaii residents who are uninsured, newly uninsured, underinsured, potential Medicaid enrollees, or Medicaid enrollees by appropriating funds to:

- (1) Provide direct health care for the uninsured and underinsured;
- (2) Restore basic adult dental benefits to Medicaid enrollees;
- (3) Provide outreach and eligibility services, including Medicaid and Children's Health Insurance Program eligibility, for children, families, and individuals at federally qualified health centers;
- (4) Establish health care homes in Medicaid as provided in the Patient Protection and Affordable Care Act;
- (5) Establish health care homes for Medicaid enrollees at federally qualified community health centers as provided in the Patient Protection and Affordable Care Act; and
- (6) Provide behavioral health services at federally qualified community health centers.

Your Committees received testimony in support of this measure from the Office of the Governor, Department of Health, State Council on Developmental Disabilities, Hawaii Primary Care Association, Ho'ola Lahui Hawaii, Waianae Coast Comprehensive Health Center, Community Alliance for Mental Health, and one individual. Your Committees received comments on this measure from the Department of the Attorney General and Department of Human Services.

Your Committees find that community health centers serve the State's uninsured, underinsured, and low-income population, in addition to one-fourth of the State's Medicaid members, through a patient-centered delivery system. In 2012, community health centers saved the health care system \$182,000,000 by providing timely, effective care and care management that reduced unnecessary emergency room, inpatient, and specialty utilization. Your Committees further find that funding is needed to synchronize the trajectory of community health center growth with Hawaii's implementation of the federal Patient Protection and Affordable Care Act. It is in the State's interest to ensure access to primary, behavioral, dental, and preventative health care for all of its residents.

Your Committees have amended this measure by:

- (1) Adding language to clarify that the appropriation of funds to provide direct health care for uninsured and underinsured individuals is for patients at community health centers;
- (2) Substituting the phrase "health homes" for the phrase "health care homes" throughout the measure;

- (3) Clarifying that funds from the community health centers special fund be appropriated to the Department of Health then transferred to the Department of Human Services because, pursuant to section 321-1.65, Hawaii Revised Statutes, the community health centers special fund must be administered and expended by the Department of Health; and
- (4) 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 are in accord with the intent and purpose of H.B. No. 1752, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1752, H.D. 1, 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.

Human Services

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

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3055 (Joint) Hawaiian Affairs and Human Services and Public Safety, Intergovernmental and Military Affairs on H.B. No. 2286**

The purpose and intent of this measure is to:

- (1) Extend the sunset date of the requirement that counties issue affordable housing credits for each residential unit developed by the Department of Hawaiian Home Lands; and
- (2) Clarify that "affordable housing obligation" means the requirement imposed by a county, regardless of the date of its enactment, to develop vacant lots, single-family residences, multi-family residences, or any other type of residence for sale or rent to individuals within a specified income range.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands. Your Committees received testimony in opposition to this measure from the City and County of Honolulu, Department of Planning and Permitting; and Kauai County Housing Agency.

Your Committees find that affordable housing credits afforded the Department of Hawaiian Home Lands since the passage of Act 141, Session Laws of Hawaii 2009, have resulted in successful private-public partnerships between the Department and developers to develop homestead lots. Unfortunately, Act 141 is set to repeal in 2015. By extending the sunset date of this successful program, the Department will be able to provide more affordable housing to its beneficiaries in furtherance of its mission.

Your Committees have amended this measure by:

- (1) Inserting language to repeal the sunset date of Act 141, Session Laws of Hawaii 2009, making permanent the authorization for the counties to issue affordable housing credits to the Department of Hawaiian Home Lands; and
- (2) Repealing the sunset date of Act 98, Session Laws of Hawaii 2012, making permanent the requirement that the counties issue affordable housing credits for each residential unit developed by the Department of Hawaiian Home Lands.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs, Human Services, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2286, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2286, 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.

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

Human Services

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

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 3056 Economic Development, Government Operations and Housing on H.B. No. 1866**

The purpose and intent of this measure is to enhance legislative and public oversight of the Hawaii Community Development Authority (Authority) by, among other things:

- (1) Providing for administrative appeal, judicial review, and intervention in the Authority's development permit application proceedings;
- (2) Amending requirements for notice, hearing, approval, and vesting of rights for developmental permits;
- (3) Amending the Authority's membership and appointment process;
- (4) Requiring the Authority's affordable housing requirements to be satisfied by reserved housing within the same district as the proposed development project and permits the Authority to accept cash in lieu of providing reserved housing;
- (5) Requiring legislative oversight of fiscal actions by the Authority;

- (6) Prohibiting the Governor from setting aside public land within community development districts to the Authority; and
- (7) Creating a height limit for buildings in Kakaako.

Your Committee received testimony in support of this measure from Hawaii's Thousand Friends, Malama Makaha, Kaka'ako United, and twenty-eight individuals. Your Committee received testimony in opposition to this measure from the Ko'olau Foundation; Chamber of Commerce Hawaii; Ko'olaupoko Hawaii Civic Club; Kāko'o 'Ōiwi; Alexander & Baldwin, Inc.; Land Use Research Foundation of Hawaii; Hunt Development Group, LLC; Hawaii Building and Construction Trades Council, AFL-CIO; Building Industry Association of Hawaii; Hawaii Laborers-Employers Corporation and Education Trust; and four individuals. Your Committee received comments on this measure from the Department of the Attorney General; Department of Business, Economic Development, and Tourism; Hawaii Community Development Authority; Kamehameha Schools; The Pacific Resource Partnership; Hawaii Regional Council of Carpenters; Hawaii Construction Alliance; and The Howard Hughes Corporation.

Your Committee finds that the Legislature established the Authority in 1976 as a public entity to plan new and innovative forms of urban redevelopment and renewal to meet certain community needs, especially the provision of low- and moderate-income housing located in residential and mixed-use areas with sufficient public facilities and services. To ensure that comprehensive and coordinated development plans were executed by and for the community, the Authority was explicitly required to engage affected communities in area development plans and projects.

Your Committee further finds that development projects that do not comply either with legislative goals or the applicable development plans established for community development districts have been permitted, sometimes on an accelerated basis. The approval processes for proposed projects also lack accountability and transparency, to the detriment of the communities affected.

Your Committee heard testimony expressing concerns about the composition of the Authority as proposed by this measure. Your Committee finds that issues related to the restoration of Authority members and the possibility of removing Authority members merit further consideration and requests that your Committee on Ways and Means further examine those issues, especially restoring key positions, such as the small business representative and Kakaako community representative.

Your Committee has amended this measure by:

- (1) Deleting language that would have established proceedings on an application for a development permit from the Authority, including procedures for intervention and judicial review;
- (2) Clarifying that the Authority shall hear, rather than consider, the request for variance, exemption, or modification at a public hearing separate from and subsequent to the hearing which the developer's proposal was presented; provided that the Authority may hear all requests applicable to a single proposal at the same separate public hearing;
- (3) Deleting language that would have required the Authority to detail the public's reaction at a public hearing to consider variances, exemptions, or modifications;
- (4) Inserting language to require the Authority to adopt rules to:
  - (A) Provide for contested case hearings with respect to decisions to be made by the Authority on a development permit application;
  - (B) Allow persons to intervene prior to a decision on a development permit application;
  - (C) Allow persons to intervene no later than twenty days from the time the application is deemed complete; and
  - (D) Allow for public testimony at hearings;
- (5) Deleting language that would have amended the membership and appointment process of the Authority and reconstituted the Authority immediately upon the effective date of this measure;
- (6) Reinstating language to allow the Authority to satisfy affordable housing requirements through reserved housing outside of the Authority's jurisdiction;
- (7) Amending language to require the Authority to post completed development permit applications on the Authority's website;
- (8) Amending language to require applicants with proposed projects valued at over \$250,000 to mail notice to residents and businesses within a three hundred foot radius of the proposed project; provided that the notice include:
  - (A) Project specifications;
  - (B) Requests for variance, exemption, or modification of a community development plan or the Authority's community development rules; and
  - (C) Procedures for intervention and a contested case hearing;
- (9) Deleting language that would have required public notice for decision-making hearings to state that any written motion to intervene shall be received within fourteen days after the publication date of the public notice;
- (10) Inserting language to establish a maximum aggregate cap of \$3,641,818 per fiscal year on receipts and revenues that may be deposited into the Hawaii community development revolving fund, with any excess above the cap to be transferred to the general fund;
- (11) Amending language to allow expenditures from any revolving fund administered by the Authority to be made by the Authority without further appropriation or allotment of the Legislature; provided that the proceeds of any revolving fund administered by the Authority shall be subject to the maximum aggregate cap;

- (12) Deleting language that would have established further requirements by the Authority when selling reserved housing;
- (13) Deleting language that would have required prior approval by the Legislature by concurrent resolution adopted by each house by at least a majority vote of the members to which that house is entitled to allow the Authority to issue special facility revenue bonds;
- (14) Deleting language that would have amended the operating and investment capital budget of the Authority for fiscal year 2014-2015;
- (15) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (16) 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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1866, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1866, 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 (Baker, English).

**SCRep. 3057 (Joint) Human Services and Judiciary and Labor on H.B. No. 2489**

The purpose and intent of this measure is to support Hawaii's youth and reduce future delinquency by appropriating funds for cost-effective evidence-based practices and programs, including mental health and substance abuse treatment programs. More specifically, this measure:

- (1) Appropriates funds to the Family Court Division of the Judiciary and the Office of Youth Services; and
- (2) Authorizes the transfer of unexpended funds from the Hawaii Youth Correctional Facility budget to the Family Court Division of the Judiciary.

Your Committees received testimony in support of this measure from the Office of the Governor; The Judiciary; Department of Health; Department of Human Services; Office of Youth Services; Office of the Mayor, County of Hawaii; Office of the Mayor, County of Kauai; Life Choices Kauai; Office of the Prosecuting Attorney, County of Hawaii; Office of the Prosecuting Attorney, County of Kauai; Honolulu Police Department; Community Alliance on Prisons; Hale Kipa; Hawaii Substance Abuse Coalition; Hawaii Youth Services Network; and five individuals. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that many youth currently placed in the Hawaii Youth Correctional Facility could be safely supervised in their communities and provided with more cost-effective treatment and programming to reduce future delinquency. Your Committees heard testimony on this measure expressing a dire need for more quality mental health and substance abuse treatment programs across the State for Hawaii's youth. In addition, testimony highlighted the economic savings for the State if more of an up-front investment is made to reduce recidivism by treating juvenile offenders' mental health and substance abuse needs.

This measure addresses at least six of the Hawaii Juvenile Justice Working Group's recommendations. Based on testimony provided by the Judiciary and Office of Youth Services, your Committees recommend that your Committee on Ways and Means insert an appropriation amount of \$5,300,000.

Your Committees have amended this measure by:

- (1) Deleting the appropriation to the Judiciary for evidence-based practices intended to reduce recidivism and improve outcomes for youth who otherwise would likely be sent to the Hawaii Youth Correctional Facility so that all appropriated funds in this measure are directed to the Office of Youth Services;
- (2) Inserting an effective date of July 1, 2014; and
- (3) 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2489, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2489, 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.

Human Services  
Ayes, 4. Noes, none. Excused, 1 (Green).

Judiciary and Labor  
Ayes, 4. Noes, none. Excused, 3 (Gabbard, Ihara, Solomon).

**SCRep. 3058 (Joint) Human Services and Judiciary and Labor on H.B. No. 1588**

The purpose and intent of this measure is to clarify that the exemption from civil service laws for personnel contracted for custodial and grounds maintenance services with qualified community rehabilitation programs applies when the contracts last no more than one year and at a maximum cost of \$850,000 per contract, not \$850,000 in the aggregate of contracts held.

Your Committees received testimony in support of this measure from the Office of the Mayor, County of Maui; Department of Parks and Recreation, County of Maui; Goodwill Industries of Hawaii; Lanakila Pacific; Ka Lima O Maui; and twenty-one individuals.

Your Committees find that the exemption from civil service laws for personal service contracts for custodial and grounds maintenance programs with qualified community rehabilitation programs is meant to help individuals with disabilities engage in meaningful work through service contracts with state and county governments. Your Committees find that this measure will ensure that the number of individuals with disabilities who want to engage in meaningful work will not be limited due to interpretation of the maximum contract amount established in section 76-77, Hawaii Revised Statutes.

Your Committees have amended this measure by inserting an effective date of July 1, 2014.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1588, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1588, 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.

Human Services

Ayes, 4; Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Green).

Judiciary and Labor

Ayes, 4. Noes, none. Excused, 3 (Gabbard, Ihara, Solomon).

**SCRep. 3059 Human Services on H.B. No. 1713**

The purpose and intent of this measure is to provide funding to support services necessary for the health and well-being of Hawaii's kupuna and require the Executive Office on Aging to conduct a public education and awareness campaign on long-term care.

Your Committee received testimony in support of this measure from the Executive Office on Aging; Department of Community Services, City and County of Honolulu; Hawaii County Office of Aging; Policy Advisory Board for Elder Affairs; AARP Hawaii; Aloha United Way; American Council of Life Insurers; Catholic Charities Hawaii; Hawaii Alliance for Retired Americans; Hawaii Family Caregiver Coalition; Hawaii Primary Care Association; International Longshore and Warehouse Union Local 142 Hawaii; PHOCUSED; Project Dana; Child and Family Service; Lanakila Pacific; Zonta Club of Hilo; and eleven individuals.

Your Committee finds that Hawaii's aging population is increasing at a rapid rate, and programs and services are needed to maintain the health and welfare of Hawaii's seniors and their caregivers. Your Committee further finds that the most successful programs for aging in place recognize and build upon integrated health and social services. Your Committee recognizes the importance of educating Hawaii's residents with information about long-term care, including the different types of long-term care and long-term care providers, the statistical risk of requiring long-term care, and the associated costs, so that residents are motivated to provide for their own or family members' long-term care needs. Your Committee heard testimony on this measure requesting clarification about the use of kupuna care funds for individuals who are eligible for Medicaid.

Your Committee has amended this measure by:

- (1) Adding language to part I to clarify that the intent of the Legislature is to allow kupuna care funds appropriated to the Department of Health to be used for long-term care services for aging individuals who are Medicaid eligible but who require services for which there are no comparable Medicaid services available; and
- (2) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1713, 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 (Green).

**SCRep. 3060 (Joint) Health and Human Services on H.B. No. 2037**

The purpose and intent of this measure is to make an appropriation for the continued funding of Project Kealahou within the Child and Adolescent Mental Health Division of the Department of Health.

Your Committees received testimony in support of this measure from the Judiciary, State of Hawaii; Department of Health; Department of Youth Services; Hawaii Youth Services Network; YWCA of Oahu; Community Alliance on Prisons; and several individuals.

Your Committees find that Project Kealahou is a six-year, federally funded program that serves young women who have experienced significant trauma in their lives. Your Committees further find that Project Kealahou helps adolescent women by providing mentoring, peer support, and specialized therapy. This measure will ensure that Project Kealahou's critical services continue after its federal funding is phased out in October 2014.

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. 2037, 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.

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).



Human Services  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 3061 (Joint) Health and Commerce and Consumer Protection on H.B. No. 611**

The purpose and intent of this measure is to:

- (1) Make it unlawful for a tanning facility owner, lessee, or operator to allow individuals under the age of eighteen to use tanning equipment that tans the skin with electromagnetic radiation; and
- (2) Make exemptions for physicians duly licensed to practice medicine who use, in the practice of medicine, medical diagnostic and therapeutic equipment that emits ultraviolet radiation, and individuals who own tanning equipment exclusively for personal, noncommercial use.

Your Committees received testimony in support of this measure from the American Cancer Society Cancer Action Network, Hawaii Dermatological Society, AIM at Melanoma, and several individuals.

Your Committees find that skin cancer is the most prevalent type of cancer in the United States, and melanoma is one of the most common forms of cancer for young adults. Your Committees further find that the risk of developing melanoma increases by seventy-five percent in individuals who have been exposed to ultraviolet radiation from indoor tanning devices. This measure will protect adolescents from the early onset of serious medical conditions related to skin cancer.

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. 611, H.D. 1, and recommend that it pass Second Reading and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health  
Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Wakai).

**SCRep. 3062 (Joint) Hawaiian Affairs and Water and Land on H.B. No. 2288**

The purpose and intent of this measure is to amend the Hawaiian Homes Commission Act to permit the Department of Hawaiian Home Lands to lease department-owned or department-controlled improvements, or space within an improvement, on Hawaiian homelands through direct negotiation, at fair market rent, and for a term of up to five years.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands.

Your Committees finds that authorizing the Department of Hawaiian Home Lands to lease buildings and warehouses on its land through direct negotiations for up to five years per lease term would allow the Department greater flexibility to generate revenue on its land. One member of your Committees expressed concerns that this measure may allow the Department of Hawaiian Home Lands to lease buildings and warehouses through direct negotiations indefinitely, so long as the lease is renewed every five years. The Department of Hawaiian Home Lands assured your Committees that the Department's intent is not to authorize long-term leases by direct negotiation. Rather, this measure will allow the Department to generate revenue in the short term until it secures a long-term tenant.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2288, 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.

Hawaiian Affairs  
Ayes, 4. Noes, none. Excused, 1 (Hee).

Water and Land  
Ayes, 8. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 3063 (Joint) Tourism and Public Safety, Intergovernmental and Military Affairs on H.B. No. 1671**

The purpose and intent of this measure is to remove the current cap of \$93,000,000 on the transient accommodations tax revenues to be distributed to the counties and instead distribute 44.8 percent of transient accommodation tax revenues collected to the counties.

Your Committees received testimony in support of this measure from the Department of Finance, County of Kauai; Office of the Mayor, County of Hawaii; Office of the Mayor, County of Maui; Office of the Mayor, City and County of Honolulu; Hawaii County Council; County Council, County of Hawaii; Hawaii County Council, District 9; County Council, County of Maui; County Services Division, County of Kauai; City Council, City and County of Honolulu; Hawaii Council of Mayors; Poipu Beach Resort Association; ILWU Local 142; Hawaii Association of Vacation Rental Managers; and nine individuals. Your Committees received testimony in opposition to this measure from the Department of Budget and Finance and Department of Taxation. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees recognize the importance of county facilities and services to support and enhance the tourism industry. Your Committees further find that the counties maintain roads and parks and provide the law enforcement officers and first responders who serve residents and visitors. This measure ensures that tax revenues derived from guest visits to the different islands of Hawaii will help offset the costs of providing services that guests use while visiting the islands.

Your Committees have amended this measure by inserting a blank percentage of the transient accommodations tax revenues to be allocated to the counties.

Your Committees received oral testimony from county officials and individual county council members characterizing the intent of the Legislature as placing a “temporary” cap on the counties’ share of transient accommodations tax revenues in passing Act 61, Session Laws of Hawaii 2009, and Act 103, Session Laws of Hawaii 2011. Your Committees also received written testimony characterizing the cap as having been “imposed” on the counties. Your Committees note, however, that in placing the \$93,000,000 cap into effect in 2011, the State effectively guaranteed the counties a historically high share of revenues.

As affirmed by the records of votes of the members of your Committees on Tourism and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1671, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1671, 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.

Tourism

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 3064 (Joint) Tourism and Water and Land on H.B. No. 2434**

The purpose and intent of this measure is to specify that the \$3,000,000 transient accommodations tax revenue amount currently allocated for expenditure pursuant to agreement between the Hawaii Tourism Authority and the Board of Land and Natural Resources for natural resources and facilities management costs related to the Hawaii Tourism Authority’s strategic plan shall be:

- (1) Deposited into the special land and development fund, rather than the general fund; and
- (2) Distributed among the beach restoration special fund, state parks special fund, trail and access program, and conservation and resources enforcement special fund.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Hawaii Tourism Authority. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that it is important to allocate portions of the transient accommodations tax revenue for the planning, development, management, operations, and maintenance of Hawaii’s lands and natural resources. Your Committees recognize the importance of supporting programs to enhance Hawaii’s lands and culture. This measure will fund projects to preserve the pristine beauty of Hawaii for residents and visitors.

Your Committees have amended this measure by making the measure effective upon approval.

As affirmed by the records of votes of the members of your Committees on Tourism and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2434, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2434, 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.

Tourism

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

Water and Land

Ayes, 7. Noes, none. Excused, 2 (Ruderman, Taniguchi).

**SCRep. 3065 Human Services on H.B. No. 2292**

The purpose and intent of this measure is to make an emergency appropriation to the Department of Human Services to address the budget shortfall in General Support for Health Care Payments (Human Services 902) resulting from a delay in reimbursement from the Hawaii Health Connector.

Your Committee received testimony in support of this measure from the Department of Human Services and Puna Community Medical Center. Your Committee received comments on this measure from the Hawaii Health Connector.

Your Committee finds that the Department of Human Services provided funding and services to the Hawaii Health Connector to develop components of the health insurance exchange to be in compliance with the federal Patient Protection and Affordable Care Act with the understanding that the Hawaii Health Connector would reimburse the Department of Human Services through the Hawaii Health Connector’s own federal funds. Your Committee further finds that while the Department’s loaned funds are encumbered, it is unable to use these funds for its core operations. This measure will ensure that the Department is able to fund its core operations and continue to serve its beneficiaries.

Your Committee received testimony from the Department of Human Services indicating that, since the original emergency appropriation request, the Hawaii Health Connector has reimbursed the Department for some of the services and monies provided by the Department. The Department’s testimony indicates that the current balance outstanding due to the Department from the Hawaii Health Connector is \$4,854,037.

Your Committee has amended this measure by:

- (1) Adding language reflecting the services and corresponding amounts for which the Department of Human Services has recently been reimbursed;
- (2) Inserting an appropriation amount of \$4,854,037;
- (3) Making the effective date upon approval; and
- (4) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2292, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2292, 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. 3066 Human Services on H.B. No. 1693**

The purpose and intent of this measure is to establish a set interest rate that the State and counties are required to pay on late payments to an operator of an adult day care facility, community care foster family home, or adult residential care home.

Your Committee received testimony in support of this measure from Adult Foster Homes of the Pacific, Big Island Adult Foster Home Operators, United Group of Home Operators, and two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services and one individual.

Your Committee finds that many operators of in-home care facilities rely on the State to provide on-time payment for the goods and services provided. Your Committee further finds that late payments can result in great financial hardship for care home operators, jeopardize the survival of the care home business, and compromise the quality and stability of patient care.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1693, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1693, 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 (Kidani, Taniguchi). Noes, none. Excused, 1 (Slom).

**SCRep. 3067 Human Services on H.B. No. 1695**

The purpose and intent of this measure is to:

- (1) Increase the state supplemental payment for adult residential care homes, licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes; and
- (2) Change the percentage of the percentage of the federal poverty level upon which public assistance allowance is based.

Your Committee received testimony in support of this measure from the Adult Foster Homes of the Pacific, Big Island Adult Foster Home Operators, United Group of Home Operators, and two individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that adult residential care homes and other domiciliary care facilities continue to fulfill an important need in the community because of the increased reliance on residential health care services and facilities for Hawaii's growing aging population. Your Committee further finds that the state supplemental payment for adult residential care homes, licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes was last increased in 2008, yet the costs of operating these facilities continue to rise.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1695, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1695, 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 (Kidani). Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3068 (Joint) Agriculture and Judiciary and Labor on H.B. No. 748**

The purpose and intent of this measure is to propose an amendment to the Hawaii State Constitution to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist agricultural enterprises.

Your Committees received testimony in support of this measure from the Land Use Research Foundation of Hawaii; Hawaii Cattlemen's Council, Inc.; Kohala Center; Alexander & Baldwin, Inc.; Local Food Coalition; Hawaii Green Growth; Hawaii Farm Bureau Federation; and Chamber of Commerce Hawaii. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Agriculture, and one individual.

Your Committees find that it is vital to the State's agricultural economy and food security that farmers are able to make capital investments and improvements to agricultural facilities and infrastructure. This measure provides an important source of private

financing to farmers for such improvements and will stimulate and increase agricultural development without affecting the State's budget. This measure complements H.B. No. 737, H.D. 2, S.D. 1 (Regular Session of 2013), which authorizes the Department of Budget and Finance to issue special purpose revenue bonds to assist agricultural enterprises in the State.

As affirmed by the records of votes of the members of your Committees on Agriculture and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 748, H.D. 2, 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.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (English, Slom).

Judiciary and Labor

Ayes, 4. Noes, none. Excused, 3 (Ihara, Solomon, Slom).

**SCRep. 3069      Agriculture on H.B. No. 2179**

The purpose and intent of this measure is to limit the toll that the Board of Agriculture may charge for water from the Lower Hamakua Ditch.

Your Committee received testimony in support of this measure from Ulupono Initiative; Hawaii Cattlemen's Council, Inc.; and Hawaii Farm Bureau Federation. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that the area served by the Lower Hamakua Ditch is prime land for ranching. The Hamakua water rate is set at a statewide level, however, and the high cost of water is deterring farmers from expanding their operations in this area despite the abundance of unused water in the region. This is exceptionally harmful to ranchers who would like to grass feed their livestock, rather than feed their livestock imported feeds, which have high transportation and fuel costs. By lowering the water rate in this area, farmers and ranchers will be incentivized to switch to grass feed to improve their bottom line and increase the State's agricultural sustainability. In addition, the State is expected to realize increased revenues from the water system because it will be selling water that is currently unused.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2179, 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, Wakai, Slom).

**SCRep. 3070      (Joint) Energy and Environment and Commerce and Consumer Protection on H.B. No. 1943**

The purpose and intent of this measure is to:

- (1) Amend the Public Utilities Commission principles regarding the modernization of the electric grid;
- (2) Require the Public Utilities Commission to initiate a proceeding no later than July 1, 2014, to discuss upgrades to the Hawaii electric system for anticipated growth of customer generation; and
- (3) Appropriate funds to the Public Utilities Commission and Department of Commerce and Consumer Affairs to cover the costs of the proceeding initiated by the Commission.

Your Committees received testimony in support of this measure from the Public Utilities Commission, Kailua Neighborhood Board, Renewable Energy Action Coalition of Hawaii, Hawaii Solar Energy Association, League of Women Voters, Hawaii PV Coalition, Blue Planet Foundation, The Pacific Resource Partnership, Life of the Land, Sierra Club of Hawai'i, Sunrun, Revolusun, Hi-Power Solar, Solar Inspectors Hawaii, and fifty-nine individuals. Your Committees received testimony in opposition to this measure from Hawaiian Electric Company. Your Committees received comments on this measure from the Department of Business, Economic Development and Tourism; Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Kauai Island Utility Cooperative; Inter-Island Solar Supply; and eight individuals.

Your Committees find that the increasing deployment of customer generation in Hawaii is in the public interest, lessening Hawaii's dependence on imported oil, creating thousands of jobs, fostering billions of dollars of economic activity, and giving tens of thousands of households and businesses access to reasonably priced electricity. Customer generation will play a major role in supplying the State's future electricity needs and meeting clean energy goals. Additionally, appropriate investments in energy storage and smart grid improvements are vital to achieve Hawaii's robust clean energy goals.

Your Committees further find that technical and economic barriers are preventing Hawaii customer-generators from interconnecting to the Hawaii electric system in a timely manner. If these technical and economic barriers are not addressed, a number of undesirable scenarios may result, including irreparable loss of jobs in the nascent solar industry and an ever increasing number of Hawaii residents disconnecting from the Hawaii electric system. Several technical, policy, and economic issues need to be addressed in trying to move forward in modernizing Hawaii's electricity grid.

Your Committees have amended this measure by:

- (1) Inserting findings that, among other things, explain the need for further investments in advanced grid modernization technology because of how Hawaii's island grids are reaching significant levels of variable renewable energy that can affect the overall operation of the grid at the system level and the ability of utilities to provide safe and reliable service at the point of delivery to customers;

- (2) Amending language to require the Public Utilities Commission to balance technical, economic, environmental, and cultural considerations associated with modernization of the electric grid, based on the following principles:
- (A) Enable a diverse portfolio of renewable energy resources;
  - (B) Expand options for customers to manage their energy use;
  - (C) Maximize interconnection of distributed generation to the State's electric grid on a cost-effective basis at non-discriminatory terms and at just and reasonable rates, while maintaining the reliability of the State's electric grids, and allow such access and rates through applicable rules, orders, and tariffs as reviewed and approved by the Commission;
  - (D) Determine fair compensation for electric grid services provided to customers and for services provided to the electric grid by distributed generation customers and other non-utility service providers; and
  - (E) Maintain or enhance grid reliability and safety through modernization of the State's electric grids;
- (3) Deleting language related to requiring the Public Utilities Commission to commence a proceeding to address issues associated with the modernization of the electric grid and inserting language that:
- (A) Requires the Commission to commence regulatory actions by July 1, 2014, to address the technical, policy, and economic issues associated with the modernization of the State's electric grids; provided that the Commission may commence additional regulatory actions to resolve issues associated with grid modernization at its discretion;
  - (B) Allows regulatory actions commenced by the Commission to include forming and facilitating working groups and opening proceedings; provided that any regulatory actions shall encompass one or more procedural timelines;
  - (C) Requires the Commission to submit a final report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016 and an interim report of progress as part of its annual report submitted in January of 2015; and
  - (D) Allows the Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to be exempt from procurement requirements in the procurement of any professional services needed to conduct any regulatory actions pursuant to this measure;
- (4) Changing the means of financing for the Public Utilities Commission to conduct regulatory actions to the Public Utilities Commission special fund and inserting an appropriation amount of \$1,000,000;
- (5) Changing the means of financing for the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to represent the interest of the consumers in regulatory actions to the Public Utilities Commission special fund and inserting an appropriation amount of \$750,000; and
- (6) Changing the effective date to upon approval; provided that the appropriations shall take effect on July 1, 2014.

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 H.B. No. 1943, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1943, 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.

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

Commerce and Consumer Protection

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

**SCRep. 3071 Judiciary and Labor on H.B. No. 1993**

The purpose and intent of this measure is to amend section 709-906, Hawaii Revised Statutes, to establish that the offense of abuse of a family or household member is a class C felony when the physical abuse occurs in the presence of any family or household member who is less than fourteen years of age.

Your Committee received testimony in support of this measure from the Office of the Prosecuting Attorney, County of Kauai; Office of the Prosecuting Attorney, County of Hawaii; Department of the Prosecuting Attorney, City and County of Honolulu; Kauai Chamber of Commerce; YWCA of Kauai; The Pacific Alliance to Stop Slavery; Kauai Against Domestic Violence Taskforce; and five individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender and two individuals.

Your Committee finds that research has shown that children who witness domestic violence can suffer severe emotional and developmental difficulties that are similar to those of children who are victims of direct physical and mental abuse. According to the Office of the Prosecuting Attorney of the County of Kauai, approximately twenty-three states and Puerto Rico have statutes that address the issue of children who witness domestic violence in the home, and approximately eighteen of those states have statutes that impose additional penalties on offenders who commit domestic abuse in the presence of a child.

Your Committee further finds that existing law allows the sentencing judge to consider as an aggravating factor that the offense of abuse of a family or household member was committed in the presence of a child, but this factor does not impact the penalty imposed for the commission of the offense. This measure establishes that the offense of abuse of a family or household member is a class C felony when the physical abuse occurs in the presence of a child under fourteen years of age to deter these types of domestic abuse cases.

Your Committee has amended this measure by adding the contents of S.B. No. 2025 (2014), which amend section 709-906(4), Hawaii Revised Statutes, to require a police officer to make reasonable inquiry of the victimized or potentially victimized family member and witnesses, if applicable, and order a person to leave the premises for a no-contact period of forty-eight hours, regardless of whether the police officer has reasonable grounds to believe there was physical abuse or harm inflicted or that there is probable danger of further abuse or harm.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1993, 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. 3072 Judiciary and Labor on H.B. No. 1814**

The purpose and intent of this measure is to clarify and provide alternative methods for the payment of wages. Specifically, this measure:

- (1) Adds definitions of “pay card” and “pay card account” to chapter 388, Hawaii Revised Statutes, relating to the payment of wages and other compensation;
- (2) Authorizes an employer to pay all wages due to the employer’s employees by:
  - (A) Direct deposit to the employee’s account at a financial institution;
  - (B) An electronic funds transfer or similar means of direct deposit to the employee’s account a financial institution under certain conditions; and
  - (C) Use of a pay card or similar means of an electronic payment card onto which an employer, or an entity on an employer’s behalf, transfers or loads the employee’s wages under certain conditions;
- (3) Clarifies that pay cards are not subject to the Money Transmitters Act under chapter 489D, Hawaii Revised Statutes, if the pay card does not permit funds to be transmitted internationally, transfers between or among users within the arrangement, or loading additional funds from non-depository sources; and
- (4) Amends section 388-5.5, Hawaii Revised Statutes, to clarify that whenever an employee receives the employee’s wages from the employee’s employer by direct deposit for which insufficient amounts are available in the bank account of the employer, the employer is liable for any resultant bank special handling fees the employee may incur.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association, Americans for Democratic Action/Hawaii, Progressive Democrats of Hawaii, Hawaii Financial Services Association, and one individual. Your Committee received testimony in opposition to this measure from Chamber of Commerce Hawaii and Retail Merchants of Hawaii. Your Committee received comments on this measure from the Department of Labor and Industrial Relations; Office of Consumer Protection, Department of Commerce and Consumer Affairs; Division of Financial Institutions, Department of Commerce and Consumer Affairs; American Payroll Association; Visa, Inc.; and First Data.

Your Committee finds that the intent of chapter 388, Hawaii Revised Statutes (chapter 388), is to protect the payment of workers’ wages and other compensation, encourage employers to pay wages promptly, and reduce workers’ economic losses. Chapter 388 only addresses payment methods of cash or check convertible to cash but does not specify payment methods through direct deposits or pay cards.

Your Committee notes that the Department of Labor and Industrial Relations has long recognized the voluntary use of direct deposits as a method that satisfies the payment of wages. Under direct deposit, the employee’s wages are directly deposited into the employee’s personal bank account, which is similar to direct payment by cash or check in the hands of the employee. The Hawaii Bankers Association testified that approximately eighty-five percent of all employees in Hawaii are paid by direct deposit. This measure modernizes chapter 388 to reflect direct deposit as a current practice in the payment of wages under certain conditions.

Your Committee further notes that there is an increasing number of employers who pay their employees through the use of a payroll card or pay card. The Hawaii Bankers Association testified that approximately fourteen thousand employees receive their wages through this method of payment. The use of pay cards is a far more expedient, more convenient, and less expensive wage payment method than the receipt of a paper paycheck twice or more per month. The Hawaii Bankers Association testified that pay cards serve two groups of employees, the unbanked (employees without a bank account) and under-banked (employees with a bank account that is not used by the employee). A pay card will allow unbanked or under-banked employees to receive wages without having to cash their paper paychecks at a check cash establishment and pay a service charge. This measure provides the unbanked or under-banked workforce the benefits of electronic wage payment even though these employees do not have or rarely use their bank accounts.

Your Committee notes the concerns raised in testimony submitted by various stakeholders, including the Department of Labor and Industrial Relations, Department of Commerce and Consumer Affairs, Hawaii Bankers Association, and Hawaii Financial Services Association. Your Committee appreciates these entities developing language to address these concerns but recognizes that this measure continues to be a work in progress. Your Committee further notes that the Director of Labor and Industrial Relations recently issued a notice that the Department is suspending its policy allowing the use of payroll or debit cards until the Legislature address this policy issue. Therefore, your Committee believes the concerns regarding this measure merit further discussion as it moves through the legislative process so that employees may take advantage of the electronic payment of wages.

Accordingly, your Committee has amended this measure by adopting the language suggested by the Department of Labor and Industrial Relations, Department of Commerce and Consumer Affairs, Hawaii Bankers Association, and Hawaii Financial Services Association to:

- (1) Add a definition of “electronic transfer”;
- (2) Amend the definition of “pay card” as a prepaid card issued by a depository institution authorized to accept deposits and whose deposits are federally insured, among other requirements;
- (3) Clarify that an employer shall not pay wages dues to the employer’s employees by use of a pay card onto which an employer, or an entity on an employer’s behalf, transfers or loads the employee’s wages unless certain conditions are met, including:
  - (A) An employer shall not require an employee to use a pay card, provided that the employer does not require participation in a pay card program as a condition for hire or continual employment and the employer offers direct deposit or paper check as a payment method;
  - (B) The employee voluntarily authorizes in writing to accept payment of wages via the pay card or pay card account, which shall be indicated in a separate form with an itemized list of any fees assessed for the use of the pay card;
  - (C) The pay card is a prepaid card issued by a depository institution authorized to accept deposits and whose deposits are federally insured;
  - (D) The employee shall have the ability to withdraw the employee’s full net wages at least three times per payroll period without incurring any costs or fees;
  - (E) The employee’s pay card account shall be separate from all other employees, for the sole benefit of the named employee, and not subject to the claims of the employer’s creditors;
  - (F) The funds on a pay card shall not expire, and if the pay card account is closed for inactivity the remaining funds shall be refunded to the employee at no cost to the employee;
  - (G) The employer shall ensure that the pay card account provides one free replacement pay card per year at no cost to the employee before the pay card’s expiration date, under certain conditions; and
  - (H) At least thirty days prior to any change to the pay card program taking effect, the employer shall provide the employee written notice of any terms and conditions of the pay card account, including any changes in the itemized list of fees;
- (4) Delete references to “similar means of an electronic payment card” to ensure that pay cards are subject to Regulation E and its many consumer protections;
- (5) Delete language that made pay cards not subject to the Money Transmitters Act under chapter 489D, Hawaii Revised Statutes, because the issuance of pay cards does not involve money transmission; and
- (6) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1814, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1814, 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; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Gabbard, Ihara, Solomon).

**SCRep. 3073      Judiciary and Labor on H.B. No. 1638**

The purpose and intent of this measure is to appropriate funds to the Judiciary for fiscal year 2014-2015.

Your Committee received testimony in support of this measure from the Judiciary, the Hawaii State Bar Association, the Office of the Mayor of the County of Hawaii, the Office of the Corporation Counsel of the County of Hawaii, the West Hawaii Bar Association, Farrell and Associates, and one individual.

Your Committee finds that the supplemental operating and capital improvement project appropriations authorized under this measure meet the Judiciary’s resource requirements for fiscal year 2014-2015.

Your Committee has amended this measure as follows:

- (1) Increasing the general fund appropriation sum proposed in the House version for JUD310 from \$77,170,459 to \$79,529,463, and increasing the corresponding position count from 1,073.50 to 1,075.50;
- (2) Restoring the special fund appropriation sum for JUD310 to \$4,002,620, which is the level appropriated under Act 133, Session Laws of Hawaii 2013;
- (3) Increasing the general fund appropriation sum for JUD320 from \$15,205,506 proposed in the House version, to \$15,239,854, and increasing the corresponding position count from 207.00 to 208.00;
- (4) Increasing the general fund appropriation sum proposed in the House version for JUD330 from \$18,287,274 to \$18,340,638, and increasing the corresponding position count from 229.00 to 231.00;
- (5) Decreasing the general fund appropriation sum proposed in the House version for JUD601 from \$24,199,032 to \$23,910,806, and increasing the corresponding position count from 208.00 to 231.00;

- (6) Deleting the proposed increase and restoring the special fund appropriation sum for JUD601 to \$7,930,290, which is the level appropriated under Act 133, Session Laws of Hawaii 2013;
- (7) Deleting the general fund proviso under JUD601, requiring \$1,000,000 to be used to pay for accrued vacation benefits;
- (8) Adding general fund provisos under JUD310 in the sums of:
  - (A) \$50,799 for a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu relating to veterans court prosecutions;
  - (B) \$107,788 for a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu for drug court prosecutions;
  - (C) \$337,244 for a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu relating to Hawaii's opportunity probation with enforcement program (HOPE); and
  - (D) \$365,000 for a statewide established temporary restraining order assistance program to support the family court system of the first circuit;
- (9) Adding a general fund proviso under JUD330 in the sum of \$53,364 to establish an exempt program attorney position within the third judicial circuit;
- (10) Adding a general fund proviso under JUD601 in the sum of \$107,640 to establish the position of an exempt special assistant to the Administrative Director of the Courts and the Chief Justice of the Hawaii Supreme Court; and
- (11) Increasing the sum for general obligation bonds and the sum for capital improvement projects for the Judiciary from \$54,015,000 proposed in the House version to \$104,015,000.

Your Committee notes that the \$50,000,000 increase in the total sum authorized for capital improvement projects has been made to fully fund the construction of the new Kona judiciary complex.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1638, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1638, 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, 7. Noes, none. Excused, none.

**SCRep. 3074 (Majority) Judiciary and Labor on H.B. No. 2409**

The purpose and intent of this measure is to:

- (1) Add under the offense of disorderly conduct under section 711-1101, Hawaii Revised Statutes, the act of impeding or obstructing bus stop use or access by lying down at a bus stop shelter or other bus stop structure with the intent to alarm or cause physical inconvenience to the public; and
- (2) Establish a \$50 fine for this specific offense.

Your Committee received testimony in support of this measure from the Department of Transportation Services, City and County of Honolulu; Oahu Transit Services, Inc.; and thirty-one individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender, The Pacific Alliance to Stop Slavery, Kokua Council, and twenty-two individuals. Your Committee received comments on this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that individuals who impede or obstruct the use of or access to bus stops create a potential hazard for disabled bus patrons and interfere with the loading and unloading of bus passengers. This type of conduct can be unpleasant or even intimidating to residents and visitors who travel by bus. This measure recognizes the physical inconvenience that this type of conduct causes.

Your Committee recognizes the concerns raised in the written testimony submitted by the Office of the Public Defender that lying down at a bus stop shelter or other bus stop structure is not conduct or behavior that is inherently bad or unacceptable as there could be a number of reasons for a person to lie down at a bus stop other than to create a hazard or obstruction. Furthermore, the Office raised enforcement concerns as this measure specifies the act of lying down at a bus stop but does not address acts of sitting at a bus stop, which could similarly impede or obstruct bus stop use or access. Your Committee believes that these concerns merit further discussion as this measure moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2409, 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; Ayes with Reservations (Shimabukuro). Noes, 2 (Ihara, Slom). Excused, 1 (Solomon).

**SCRep. 3075 Tourism on H.B. No. 1900**

The purpose and intent of this measure is to:

- (1) Establish a tax on annual destination club dues apportioned to the State; and
- (2) Require destination club membership plan managers to register with the Department of Taxation and keep records of annual destination club dues apportioned to the State.



Your Committee received testimony in support of this measure from McCorriston, Miller, Mukai, MacKinnon, LLP. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that destination clubs own various properties in multiple states and provide their members with the right to use or occupy the destination club's facilities in various locations. Your Committee further finds that the Hawaii Intermediate Court of Appeals recently ruled that destination clubs are not timeshare plans as defined in chapter 514E, Hawaii Revised Statutes. Accordingly, destination clubs would not be subject to the transient accommodations tax imposed upon timeshares under chapter 237D, Hawaii Revised Statutes, because state law does not subject destination clubs to the transient accommodations tax. In considering this measure, your Committee has concluded that destination clubs are a type of transient accommodation and should be taxed as such.

Accordingly, your Committee has amended this measure by imposing the transient accommodations tax on destination club plan managers based on the fair market rental value attributable to their Hawaii destination club units. More specifically, your Committee has amended this measure by:

Your Committee has amended this measure by:

- (1) Deleting the definition of "annual destination club dues apportioned to the State";
- (2) Inserting language to apply the definition of "fair market rental value" to fees attributable to destination club units and to include under that definition services included with the unit, including but not limited to laundry, transportation, and food services;
- (3) Deleting language that would have imposed a tax as a percentage of the annual destination club dues apportioned to the State and instead imposing a transient accommodations tax upon destination club plan managers for each of their Hawaii destination club units occupied during the month, at a rate of 7.25 percent on the fair market rental value; and
- (4) 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 Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1900, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1900, 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, 2 (Ihara, Slom).

**SCRep. 3076 (Joint) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on H.B. No. 2518**

The purpose and intent of this measure is to review and update the Hawaii State Planning Act and continue efforts to develop goals and policies to guide the development of the State. Specifically, this measure requires and provides funding for the Office of Planning to, among other things, review the Hawaii State Planning Act and report to the Legislature its recommendations for updating the Hawaii State Plan to appropriately address state needs.

Your Committees received testimony in support of this measure from the Department of Defense and Office of Planning. Your Committees received comments on this measure from the Chamber of Commerce Hawaii.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which, in addition to requiring the Office of Planning to review the Hawaii State Planning Act, requires the Board of Directors of the High Technology Development Corporation to create a first responders technology campus and cyber security command center to centralize first responders and cyber security facilities to enable the sharing of resources and support services.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Defense, Office of Planning, Office of Information Management and Technology, Department of Accounting and General Services, State Fire Council, Honolulu Fire Department, Hawaii County Fire Department, Honolulu Emergency Medical Services, and Castle & Cooke Hawaii. Your Committees received comments on the proposed S.D. 1 from the Department of the Attorney General, Department of Budget and Finance, and High Technology Development Corporation.

Your Committees find that in 1978, efforts were made to improve the planning process in the State to increase the effectiveness of government and private actions, improve coordination among different agencies and levels of government, provide for wise use of Hawaii's resources, and guide the future development of the State. These efforts resulted in the enactment of the Hawaii State Planning Act, which sets forth the Hawaii State Plan. The Hawaii State Plan articulates goals and policies to guide the development of the State and establishes an integrated planning and implementation system to deliver on those policies.

Your Committees further find that according to the Office of Planning, the last review of the Hawaii State Planning Act was initiated in 1983 and completed in 1985, and resulted in the enactment of several pieces of legislation that amended the Hawaii State Planning Act. Since then, there have been significant changes in Hawaii's economic, physical, and social conditions; technology; and the global marketplace, as well as in the constraints and opportunities the State faces as it plans for the future. Thus, your Committees find that a comprehensive review of the Hawaii State Planning Act is warranted.

Your Committees have amended this measure by retaining the H.D. 1 version of this measure but inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing, Public Safety, Intergovernmental and Military Affairs, and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2518, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2518, 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.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (English).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 3077 (Joint/Majority) Water and Land and Judiciary and Labor on H.B. No. 1823**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to provide for nonbinding mediation of disputes regarding the sale price or lease rental of public lands in transactions involving the purchase, lease, or repurchase of the public lands and the fair market rental of public lands under lease when rentals are reopened. This measure also preserves the option of binding arbitration to resolve disputes when the mediation process fails to do so.

Your Committees received testimony in support of this measure from the Hawaii Cattlemen's Council, Inc.; Ponoholo Ranch, Ltd.; Chika Nakano Repair Shop; Japanese Chamber of Commerce & Industry; McCully Works; Sand Island Business Association; Maui Cattlemen's Association; and three individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that mediation is an effective method of resolving disputes that should be made available to resolve disputes regarding the sale price, lease rental, or fair market rental of public lands in transactions involving the board of land and natural resources and private purchasers, owners, or leaseholders. The present statutory framework for the arbitration of such disputes is cumbersome and does not provide the parties an opportunity to work collaboratively toward mutual solutions to disputes.

Your Committees further find that mediation is typically less expensive and is a more reasonable and appropriate approach to resolving a rental dispute. A policy of transparency regarding the sharing of appraisal reports prior to mediation would help the process immensely and garner support to further the spirit of cooperation between parties.

Your Committees believe that:

- (1) The release of the initial appraisal commissioned by the Department of Land and Natural Resources to arrive at a proposed lease rent provides the lessee with the opportunity to review the report before making a decision to accept or reject the rent. This action is fair and allows the lessee to make an informed decision, which is always preferable;
- (2) While arbitration was originally envisioned as being an effective, low cost means of dispute resolution, it has evolved into a much more expensive and time consuming process. Mediation, when entered into in good faith, seems to be a reasonable and proper beginning to a disagreement and may lead to a reasonable resolution at a very low cost, which is very important to farmers and small businesses; and
- (3) The transition from a three-member panel to a single mediator provides an immediate cost savings if only by reduction in numbers.

This measure could ultimately keep farmers and ranchers on state leased lands to produce food and other agricultural products. Your Committees find that farmers and their families who have worked hard, farmed or ranched successfully, and paid their rent faithfully for many years should not lose their farms and their livelihoods simply because their leases expire and are reopened at rents that have escalated to the point of being unaffordable by most agricultural ventures.

As affirmed by the records of votes of the members of your Committees on Water and Land and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1823, 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.

Water and Land  
Ayes, 5; Ayes with Reservations (Ihara). Noes, 1 (Thielen). Excused, 3 (Dela Cruz, Taniguchi, Slom).

Judiciary and Labor  
Ayes, 6; Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Slom).

**SCRep. 3078 (Joint/Majority) Water and Land and Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on H.B. No. 193**

The purpose and intent of this measure is to provide a reasonable means by which developers may satisfy any requirements, terms, or conditions imposed by the Land Use Commission as part of the approval of a district boundary amendment.

Your Committees received testimony in support of this measure from the Department of Planning and Permitting of the City and County of Honolulu, General Contractors Association of Hawaii, The Pacific Resource Partnership, Land Use Research Foundation of Hawaii, and Hawaii Masons' Union. Your Committees received testimony in opposition to this measure from the Land Use Commission and numerous individuals. Your Committees received comments on this measure from the Office of Planning.

Prior to a hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which:

- (1) Requires all state agencies within one-half mile of proposed rail transit stations to enter into a memorandum of understanding with each other and convene working groups together with the Honolulu Authority for Rapid Transportation to address the effects that each rail transit station will have on the surrounding workforce and housing;
- (2) Establishes a Transit-Oriented Development Advisory Committee to make recommendations about sustainable development projects close to transit; and
- (3) Includes an effective date of July 1, 2050.

Your Committees received testimony in support of the proposed S.D. 1 from the General Contractors Association of Hawaii. Your Committees received testimony in opposition to the proposed S.D. 1 from the Department of Planning and Permitting of the City and County of Honolulu and the League of Women Voters. Your Committees received comments on the proposed S.D. 1 from the Hawaii Community Development Authority and Honolulu Authority for Rapid Transportation.

Your Committees find that the State owns significant amounts of land around the proposed rail transit stations in Honolulu. It is important that these surrounding lands are analyzed for the impact that the transit stations will have on the various communities. Impacts can be best analyzed by requiring all state agencies within one-half mile of proposed rail transit stations to enter into a memorandum of understanding with each other and convening working groups together with the Honolulu Authority for Rapid Transportation to address the effects that each rail transit station will have on the surrounding workforce and housing.

Your Committees further find that the careful coordination between transit and development is critical in allowing each to optimally enhance the other. Transit-oriented development presents an opportunity not only for a project at a station, but also for a full-fledged transit-centered community. A transit corridor that offers an advantageous mix of uses can be used to integrate a number of separate activity nodes, particularly when the various uses are close together, are easily accessible, and support each other.

Your Committees note from the discussions during the hearing that the Department of Planning and Permitting will provide the Committees with a list of items, including plans for each station, projected density goals, and how these plans compliment the projections to fulfill and carryout transit-oriented development. State agencies have not come forward with requests for funding or other assistance for planned development.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Adding a new part I to clarify the purpose of this measure;
- (2) Making the Transit-Oriented Development Advisory Committee subject to the State Ethics Code; and
- (3) 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 Water and Land, Economic Development, Government Operations and Housing, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 193, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 193, H.D. 1, S.D. 1, and be referred to the Committees on Transportation and International Affairs and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 7; Ayes with Reservations (Ihara). Noes, 1 (Slom). Excused, 1 (Ruderman).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, 1 (Slom). Excused, 1 (English).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Green).

**SCRep. 3079 Health on H.B. No. 2320**

The purpose and intent of this measure is to:

- (1) Establish health equity as a goal for the Department of Health; and
- (2) Require the Department to consider social determinants of health, such as the social and physical environment, health services, and structural and societal factors, in assessing health needs in the State.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Primary Care Association, and Community Alliance for Mental Health.

Your Committee finds that determinants of health are created and influenced by various factors, including economic and social conditions. Your Committee further finds that factors such as income, education, housing, employment, and access to recreation and healthy foods must be addressed to achieve greater health equity in Hawaii. This measure is a first step toward a more unified and comprehensive approach to public health policy.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2014; and
- (2) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2320, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2320, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Majority Leader on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3080 (Joint) Technology and the Arts and Water and Land on H.B. No. 1678**

The purpose and intent of this measure is to:

- (1) Amend the definition of "historic property" by excluding any private residence that has not been entered, or nominated by the owner of the residence for entry, onto the Hawaii Register of Historic Places; and
- (2) Exempt all residential property that has not been entered, or nominated by the owner of the residence for entry, onto the Hawaii Register of Historic Places from historic preservation review in connection with project or land use applications.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Association of REALTORS, The Pacific Resource Partnership, Chamber of Commerce Hawaii, General Contractors Association of Hawaii, Building Industry Association of Hawaii, and one individual. Your Committees received testimony in opposition to this measure from the Historic Hawaii Foundation, Hawaii Thousand Friends, Society for Hawaiian Archaeology, and eight individuals. Your Committees received comments on this measure from one individual.

Your Committees find that there is a value in preserving and developing the historic and cultural property within the State. Under existing law, "historic property" includes "any building, structure, object, district, area, or site, including heiau and underwater site, which is over fifty years old." As a result of this broad definition that assumes age is equivalent to historic importance, there are many private residences that must undergo a historic preservation review. This has led to late and outstanding regulatory reviews by the State Historic Preservation Division. This measure seeks to reduce excessive delays and allow the State Historic Preservation Division to focus on residences that are worthy to be placed on the Hawaii Register of Historic Places.

Your Committees note the Department of Land and Natural Resources' recommendations to amend the definition of "historic property" to include any property that is included in or eligible for inclusion in the Hawaii Register of Historic Places and to provide counties with a list of project types that have no potential to affect a historic property and a list that identifies the types of properties likely to be eligible for inclusion on the Hawaii Register of Historic Places.

Your Committees have amended this measure by:

- (1) Amending section 1 to reflect the amended purpose of this measure;
- (2) Amending the definition of "historic property" to mean "any building, structure, object, district, area, or site, including heiau and underwater site, that is included in or eligible for inclusion in the Hawaii register of historic places.";
- (3) Exempting from historic preservation review any residential property that is not included in or eligible for inclusion in the Hawaii Register of Historic Places or any project that has no potential to affect a historic property;
- (4) Requiring the Department of Land and Natural Resources to provide the counties with a list that identifies the types of projects that have no potential to affect a historic property, no later than October 1, 2014;
- (5) Requiring the Department of Land and Natural Resources to provide the counties with a list that identifies the types of properties likely to be eligible for inclusion in the Hawaii Register of Historic Places, no later than January 2, 2015;
- (6) Requiring the Department of Land and Natural Resources to develop a plan and proposed budget for completing a comprehensive inventory of the State's historic buildings and to submit the plan and proposed budget to the Legislature; and
- (7) 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 Technology and the Arts and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1678, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1678, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Wakai).

Water and Land  
Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Shimabukuro).

**SCRep. 3081 Commerce and Consumer Protection on H.B. No. 2656**

The purpose and intent of this measure is to permit condominium associations to call for the review and discharge of a managing agent hired by the association upon a majority vote by the association members.

Your Committee received testimony in support of this measure from the Legislative Action Committee of the Community Associations Institute and one individual. Your Committee received comments on this measure from the American Resort Development Association-Hawaii; Community Associations Institute, Hawaii Chapter; Hawai'i State Association of Parliamentarians; and one individual.

Your Committee finds that this measure specifies that condominium associations may call for the review and discharge of managing agents hired by the association upon a majority vote by association members. However, your Committee has heard the concerns that this requirement is cumbersome, as many associations already experience difficulties meeting quorum requirements for annual meetings. Furthermore, there are additional concerns associated with permitting association members to approve the retention and discharge of managing agents, as all other association agents and vendors are hired and discharged only by association boards.

Your Committee notes that the companion to this measure, S.B. No. 3127, S.D. 1, which was previously passed by the Senate, establishes provisions for condominium association annual meetings and quorum requirements, permits the board of an association to employ and discharge the managing agent of an association, and provides an exemption for time share plans.

Your Committee further finds that many condominium associations have been unable to conduct annual ownership meetings because of quorum requirements. The language in S.B. No. 3127, S.D. 1, is therefore preferable because it provides a mechanism to ensure that the annual meeting of a condominium association will occur each year.

Your Committee additionally finds that association boards are mandated to administer an association's property and manage those who are hired to handle the day-to-day functions of the association. The language in S.B. No. 3127, S.D. 1, is therefore preferable because it permits the board of an association, rather than the association itself, to be given the responsibility for the hiring and discharging of a managing agent.

Finally, your Committee has heard the concerns that time share projects that are owned and operated by major hospitality brands have an affiliate of the brand owner who serves as a managing agent of the condominium. If the managing agent is discharged, then a time share project will no longer be branded as a major hospitality brand resort, which could result in all of the owners of a time share project losing their rights to participate in the vacation club associated with the hospitality brand. S.B. No. 3127, S.D. 1, is therefore preferable as it contains language to address these concerns.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 3127, S.D. 1, a substantively similar measure, which:

- (1) Establishes provisions for condominium association annual meetings and quorum requirements;
- (2) Specifies that the board of an association managed by a managing agent shall have the authority to employ and terminate a managing agent, subject to a vote of a majority of the unit owners at an association meeting;
- (3) Provides an exemption from the provisions relating to the employment and termination of a managing agent for a project in which a majority of the units have been submitted to one or more vacation plans, or in which one or more units have been submitted to a vacation plan established by the developer of the project or by an affiliate of the developers; and
- (4) Includes an effective date of July 1, 2014.

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. 2656, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2656, 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, 2 (Nishihara, Wakai).

**SCRep. 3082 (Joint) Public Safety, Intergovernmental and Military Affairs and Water and Land on H.B. No. 2521**

The purpose and intent of this measure is to protect public health and safety as authorized under section 128-10.3, Hawaii Revised Statutes, by appropriating funds for fiscal year 2014-2015 to State Civil Defense to:

- (1) Cut, trim, or remove dangerous trees that pose a hazard to other properties;
- (2) Stabilize or remove unstable rock and soil hazards; and
- (3) Clean streams and waterways to mitigate or prevent flooding or other disasters.

Your Committees received testimony in support of this measure from the State Department of Defense Civil Defense Division and four individuals.

Your Committees find that State Civil Defense regularly receives requests for assistance relating to hazardous conditions. State Civil Defense has continued to mitigate hazardous situations, despite the lack of dedicated funding or increased personnel. This measure protects public health and safety by supporting proactive management of public safety threats from dangerous trees, unstable rock and soil, and waterways.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2521, 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Water and Land  
Ayes, 6. Noes, none. Excused, 3 (Ihara, Ruderman, Taniguchi).

**SCRep. 3083 Higher Education on S.C.R. No. 128**

The purpose and intent of this measure is to request the University of Hawaii to create a task force to develop a plan to increase the number of students in science, technology, engineering, and mathematics (STEM) majors relevant to industry demands in Hawaii.

Your Committee received testimony in support of this measure from the University of Hawaii System, Hawai'i P-20 Partnerships for Education, and General Contractors Association of Hawaii.

Your Committee finds that studies are clear that STEM occupations are the pathway to economic vitality and innovation, not only in the State but in the entire country. This measure provides the first steps to the coordination and prioritization of the various statewide STEM initiatives.

Your Committee has amended this measure by making a technical, nonsubstantive amendment 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. 128, 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. 128, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ige).

**SCRep. 3084 Higher Education on S.R. No. 13**

The purpose and intent of this measure is to urge the Board of Regents of the University of Hawaii not to raise student fees to balance the budget of the University of Hawaii Athletics Department or budget deficit of any other University of Hawaii department.

Your Committee received testimony in support of this measure from the University of Hawaii System and four individuals. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that the University of Hawaii Athletics Department is facing a potential budget deficit of \$2,000,000, and there are concerns that the University may raise student fees in order to offset the Athletics Department's deficit.

Your Committee further finds that students should not be asked to shoulder the burden of making up for the budget deficit of the Athletics Department or budget deficit of any other department at the University of Hawaii.

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. 13 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Kidani, Tokuda). Noes, none. Excused, 1 (Ige).

**SCRep. 3085 Higher Education on S.C.R. No. 38**

The purpose and intent of this measure is to urge the Board of Regents of the University of Hawaii not to raise student fees to balance the budget of the University of Hawaii Athletics Department or budget deficit of any other University of Hawaii department.

Your Committee received testimony in support of this measure from the University of Hawaii System and four individuals. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that the University of Hawaii Athletics Department is facing a potential budget deficit of \$2,000,000, and there are concerns that the University may raise student fees in order to offset the Athletics Department's deficit.

Your Committee further finds that students should not be asked to shoulder the burden of making up for the budget deficit of the Athletics Department or budget deficit of any other department at the University of Hawaii.

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. 38 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Kidani, Tokuda). Noes, none. Excused, 1 (Ige).

**SCRep. 3086 Judiciary and Labor on H.B. No. 1604**

The purpose and intent of this measure is to require that certificates of election be delivered only after the filing of reports in accordance with sections 11-331 and 11-333, Hawaii Revised Statutes, rather than the filing of expense statements, and payment of any fine assessed by the Campaign Spending Commission.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and League of Women Voters of Hawaii.

Your Committee finds that this measure ensures that the winning candidate is in compliance with campaign spending laws prior to the issuance of a certificate of election to that candidate. Furthermore, setting the payment of any administrative fine already levied by the Campaign Spending Commission as a condition for the issuance of a certificate of election will further encourage campaign spending law compliance.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1604, H.D. 2, 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, Solomon).

**SCRep. 3087 Commerce and Consumer Protection on H.B. No. 2482**

The purpose and intent of this measure is to:

- (1) Amend the definition of “majority” or “majority of the unit owners” and make corresponding technical amendments associated with this amended definition;
- (2) Clarify that a lease rent collection system may be approved and an annual audit of an association’s financial accounts and annual unannounced cash balance verification may be waived at an association meeting by a vote of a majority of all the unit owners if the association is composed of less than twenty owners; and
- (3) Make other technical amendments to the State’s condominium law for purposes of clarity and consistency.

Your Committee received testimony in support of this measure from the Community Associations Institute, Hawaii Chapter; Hawai’i State Association of Parliamentarians; and Hawaii Council of Associations of Apartment Owners.

Your Committee finds that over time, small discrepancies and inconsistencies can appear within a statute, possibly resulting in confusion or disputes. This measure addresses certain inconsistencies and makes other clarifying amendments within chapter 514B, Hawaii Revised Statutes, relating to condominiums. Your Committee further finds that additional clarification is needed regarding cumulative voting as a method for minority representation on a condominium board of directors and with regard to filling vacancies on a board of directors. Thus, amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying the process for cumulative voting for an election at a meeting;
- (2) Clarifying that directors who are appointed to fill vacancies on a board of directors must stand for election at the next annual meeting or a duly noticed special meeting;
- (3) Inserting an effective date of July 1, 2014; and
- (4) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2482, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2482, 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, 2 (Wakai, Slom).

**SCRep. 3088 Technology and the Arts on H.B. No. 2573**

The purpose and intent of this measure is to establish and designate the ukulele as the official musical string instrument of the State.

Your Committee received testimony in support of this measure from the Student Network for Action and Progress and five individuals. Your Committee received testimony in opposition to this measure from the Aloha International Steel Guitar Club and twenty individuals. Your Committee received comments on this measure from three individuals.

Your Committee finds that throughout the history of Hawaii, music has played an integral part in the lives of its people. While the ukulele is a very popular instrument, the people of Hawaii, particularly the native Hawaiians, have used and continue to use a variety of musical instruments for entertainment. A musical instrument that is indigenous to the people of Hawaii and important to the native Hawaiian culture should be designated as the official state musical instrument. This measure recognizes the importance of music in the history of Hawaii and the Hawaiian lifestyle.

Your Committee has amended this measure by deleting its contents and inserting language that:

- (1) Requires Kids Voting Hawaii Inc. and the Office of Hawaiian Affairs to collaborate to solicit recommendations, including primary and secondary student recommendations, on what instrument, indigenous to the people of Hawaii and important to the native Hawaiian culture, should be designated as the official state musical instrument;
- (2) Requires Kids Voting Hawaii Inc. and the Office of Hawaiian Affairs to submit a list of recommendations for the official state musical instrument to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015;
- (3) Requires the list of recommended musical instruments to include but not be limited to the ukulele, pahu drum, steel guitar, ipu, and nose flute; and
- (4) Allows more than one musical instrument to be designated as the official state musical instrument; provided that one instrument is a kahiko instrument and one instrument is an ‘auana instrument.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2573, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2573, 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 (Wakai).

**SCRep. 3089 Public Safety, Intergovernmental and Military Affairs on S.R. No. 7**

The purpose and intent of this measure is to name the new Central Oahu Ambulance Facility after the late Loretta Fuddy, Director of Health.

Your Committee received testimony in support of this measure from the Department of Health and one individual.

Your Committee finds that as the Director of Health, the late Loretta Fuddy was a highly respected national figure on health services and public health administration. One of her first acts as the Director of Health was to save the Maui County Medvac helicopter from budget cuts. On December 11, 2013, that same helicopter carried her body and the survivors of a commuter plane crash off the Kalaupapa peninsula for further medical treatment. Director Fuddy was killed in the line of duty while serving some of the most abandoned and marginalized people of Hawaii. This measure honors Director Fuddy's commitment to public service and public health.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 7 and recommends that it be referred to the Committee on Technology and the Arts.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 3090 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 8**

The purpose and intent of this measure is to name the new Central Oahu Ambulance Facility after the late Loretta Fuddy, Director of Health.

Your Committee received testimony in support of this measure from the Department of Health and one individual.

Your Committee finds that as the Director of Health, the late Loretta Fuddy was a highly respected national figure on health services and public health administration. One of her first acts as the Director of Health was to save the Maui County Medvac helicopter from budget cuts. On December 11, 2013, that same helicopter carried her body and the survivors of a commuter plane crash off the Kalaupapa peninsula for further medical treatment. Director Fuddy was killed in the line of duty while serving some of the most abandoned and marginalized people of Hawaii. This measure honors Director Fuddy's commitment to public service and public health.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 8 and recommends that it be referred to the Committee on Technology and the Arts.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 3091 Commerce and Consumer Protection on S.C.R. No. 31**

The purpose and intent of this measure is to request the Auditor to conduct a sunrise review of the licensure and regulation of herbal therapists.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs; A'ali'i Group; Mobile Native Hawaii Health, Inc.; Ka Lei Papahi 'O Kakuhihewa; and twelve individuals. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that herbal therapy is a complementary and alternative method for improving the wellness of individuals, and as such affects public health, safety, and welfare. However, herbal therapists are not presently licensed or regulated in Hawaii. Your Committee further finds that this measure requests the Auditor to perform a sunrise review pursuant to section 26H-6, Hawaii Revised Statutes, on the licensure and regulation of herbal therapists. The Auditor's analysis would set forth the probable effects of the proposed regulatory measure, assess whether its enactment is consistent with section 26H-6, Hawaii Revised Statutes, and assess alternate forms of regulation.

Your Committee additionally finds that section 26H-6, Hawaii Revised Statutes, states that a referral to the Auditor for a sunrise review shall be by concurrent resolution that identifies a specific legislative bill to be analyzed. Although this measure identifies a specific legislative bill introduced during the Regular Session of 2013, it does not identify a specific legislative bill introduced during the Regular Session of 2014. Your Committee notes that S.B. No. 2439, introduced during the Regular Session of 2014, proposes the regulation and licensure of herbal therapists. Amendments to this measure are therefore necessary to direct the Auditor to analyze S.B. No. 2439.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a reference to S.B. No. 2439, Regular Session of 2014, and making corresponding clarifying amendments; and
- (2) 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 Commerce and Consumer Protection 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, 3. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 3092 Commerce and Consumer Protection on S.C.R. No. 34**

The purpose and intent of this measure is to request the Auditor to assess the social and financial impacts 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, and five individuals.

Your Committee finds that hearing aids can help a person remain connected to others in their community. However, the cost of a hearing aid is prohibitive to the average adult. This cost may be multiplied when several individuals in one family require hearing aids. Mandating health insurance coverage for hearing aids will enhance the ability of persons who are deaf or hard of hearing to function effectively within their community in a cost effective manner.

Your Committee further finds that this measure requests the Auditor to assess the social and financial impacts of requiring health insurers to offer coverage for hearing aids, as proposed under Senate Bill No. 309, S.D. 1 (2013), pursuant to the procedural requirements under sections 23-51 and 23-52, Hawaii Revised Statutes, for legislation proposing mandatory health insurance coverage.

Your Committee additionally finds that the addition of a new mandated health insurance benefit under Hawaii law may trigger Section 1311(d)(3) of the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act), which requires states to defray the additional cost of any benefits in excess of the essential health benefits of the state's qualified health plan. Your Committee therefore finds that the impact of the Affordable Care Act on the mandatory health insurance coverage for hearing aids, as proposed by Senate Bill No. 309, S.D. 1 (2013), should be included within the Auditor's impact assessment report.

Accordingly, your Committee has amended this measure by requesting the Auditor to include within the impact assessment report the impact of federal Patient Protection and Affordable Care Act of 2010 requirements if mandated health insurance coverage for hearing aids is implemented in 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 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, 3. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 3093 Commerce and Consumer Protection on S.C.R. No. 35**

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers to provide infertility procedure coverage.

Your Committee received testimony in support of this measure from Kaiser Permanente Hawaii and two individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Hawaii Catholic Conference.

Your Committee finds that Hawaii has required insurance coverage for the treatment of infertility through in vitro fertilization under certain qualifying conditions since 1987. However, the existing law has a number of shortcomings, including covering only one form of assisted reproductive technology, in vitro fertilization; providing a one-time only benefit; and applying only to an insured's covered spouse. Expanding infertility procedures by requiring non-discriminatory coverage for the treatment of infertility will ensure quality of care in the diagnosis and treatment of infertility for patients in Hawaii.

Your Committee further finds that this measure requests the Auditor to assess the social and financial impacts of requiring health insurers to offer coverage for expanded infertility procedures, as proposed under S.B. No. 2909, S.D. 1 (2014), pursuant to the procedural requirements under sections 23-51 and 23-52, Hawaii Revised Statutes, for legislation proposing mandatory health insurance coverage.

Your Committee notes that the addition of a new mandated health insurance benefit under Hawaii law may trigger Section 1311(d)(3) of the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act), which requires states to defray the additional cost of any benefits in excess of the essential health benefits of the state's qualified health plan. Your Committee therefore finds that the impact of the Affordable Care Act on expanded infertility procedures, as proposed by S.B. No. 2909, S.D. 1 (2014), as well as certain other considerations related to expanded coverage for infertility procedures, should be included in the Auditor's impact assessment report.

Accordingly, your Committee has amended this measure by:

- (1) Inserting references to S.B. No. 2909, S.D. 1, Regular Session of 2014;
- (2) Requesting the Auditor to including the following in the impact assessment report:
  - (A) A survey of other states in the country that have implemented a mandate for expanded infertility in vitro fertilization procedures and the social and financial impact of expanded infertility in vitro fertilization procedures in those states;
  - (B) Whether an expansion of infertility in vitro fertilization procedures would constitute benefits that are in excess of the essential health benefits required for health insurance coverage under the Affordable Care Act;
  - (C) Any other impacts or requirements of the Affordable Care Act if a mandate for expanded infertility in vitro fertilization procedures is enacted in Hawaii;

- (D) Research on what is being used as the standard medical definition of “reproductive age” that is best suited for in vitro fertilization procedures and the success rates for different age groups to determine coverage benefit limitations for this covered benefit, including whether different standards of infertility treatments are applied to different age groups in need of infertility treatment;
  - (E) An examination of current medically necessary standards of care used to determine what types of infertility treatment options are available at a more cost effective savings than in vitro fertilization; and
  - (F) An examination of existing technology in infertility procedures and possible future technology for infertility procedures; and
- (3) Making a technical, nonsubstantive amendment 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 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, 3. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 3094 Commerce and Consumer Protection on S.C.R. No. 36**

The purpose and intent of this measure is to recognize and designate the Hawaii Health Information Exchange as the only fully operational, statewide health information exchange operating in Hawaii.

Your Committee received testimony in support of this measure from the Office of the Governor; Department of Commerce and Consumer Affairs; Hawai'i Health Information Exchange; Hawaii Health Information Corporation; Health Information Management and Systems Society, Hawaii-Alaska Chapter; and Kaiser Permanente Hawaii.

Your Committee finds that the purpose of the Hawaii Health Information Exchange is to improve health care delivery across Hawaii through a seamless, effective, safe, and secure health information exchange. The Hawaii Health Information Exchange currently fills a very important leadership role in carrying out the health information technology elements of health care transformation and has the potential to do much more as the State's designated nonprofit partner. Your Committee further finds that besides building technical infrastructure, the Hawaii Health Information Exchange supports the adoption and use of health information technology as the trusted, neutral source for expertise and as the convener of health care providers to discuss and align health information technology initiatives.

This measure formally recognizes and designates the Hawaii Health Information Exchange as the only fully operational statewide health information exchange in Hawaii. Such designation will encourage the continued advancement of health care transformation initiatives throughout the State, including the Hawaii Health Information Exchange and State's mutual goal of statewide real-time exchange of electronic patient data.

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 Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 36, 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. 36, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 3095 Commerce and Consumer Protection on S.C.R. No. 46**

The purpose and intent of this measure is to request the State Auditor to conduct a sunrise review of the regulation of veterinary technicians and the practice of veterinary technology.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Board of Veterinary Examiners, Hawaii Veterinary Medical Association, and one individual.

Your Committee finds that veterinary technicians are valuable team members of the veterinary profession, where they assist veterinarians and serve other roles in the care and treatment of animals. However, veterinary technicians and the practice of veterinary technology are not presently licensed or regulated in Hawaii. Your Committee further finds that this measure requests the Auditor to perform a sunrise review pursuant to section 26H-6, Hawaii Revised Statutes, on the regulation of veterinary technicians and the practice of veterinary technology, as proposed by Senate Bill No. 2502, S.D. 1, Regular Session of 2014. The Auditor's analysis would set forth the probable effects of the proposed regulatory measure, assess whether its enactment is consistent with section 26H-6, Hawaii Revised Statutes, and assess alternate forms of regulation. Your Committee additionally finds that a sunrise review is the necessary next step toward the licensing and regulation of veterinary technicians and the practice of veterinary technology, which will improve the level of care for animals in 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 concurs with the intent and purpose of S.C.R. No. 46 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 3096 Health on S.C.R. No. 40**

The purpose and intent of this measure is to establish an advance health care directive working group to:

- (1) Explore strategies to ensure all adults execute an advance health care directive; and
- (2) Submit a report of its findings and recommendations to the Legislature.

Your Committee received testimony in support of this measure from Hospice Hawaii.

Your Committee finds that an advance health care directive is a premade set of instructions concerning decisions about a person's medical treatment and health issues if the person is later unable to make medical decisions. Your Committee further finds that when adults have advance health care directives, there is greater certainty for hospitals and other health care facilities regarding the appropriate medical treatment of individuals consistent with their medical preferences.

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. 40 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3097 (Joint) Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs on H.B. No. 1770**

The purpose and intent of this measure is to honor and recognize Hawaii's residents who have served in the armed forces by allowing applicants for a driver's license or state identification card who are veterans to have their veteran status added to the information on these forms of identification.

Your Committee received testimony in support of this measure from the State Office of Veterans Services, Department of Customer Services of the City and County of Honolulu, The Chamber of Commerce, and Veterans of Foreign Wars of the United States. Your Committee received testimony in opposition to this measure from the Department of Transportation.

Your Committee finds that United States Armed Services veterans frequently carry their discharge or separation papers to prove that they are veterans. Forty-seven states have already passed some type of legislation to include veteran status on the state's driver's licenses or on a separate card. This measure honors Hawaii's veterans by allowing veterans to have their veteran status added to the front of their driver's license or state identification card.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1770, 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.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

Transportation and International Affairs

Ayes, 9. Noes, none. Excused, none.

**SCRep. 3098 Transportation and International Affairs on Gov. Msg. No. 509**

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 509 CHARLES HIRATA, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Charles Hirata to possess the requisite qualifications to be nominated to the State Highway Safety Council.

Your Committee received testimony in support of the nomination of Charles Hirata from the Department of Transportation, Maui Department of the Prosecuting Attorney, Office of the Prosecuting Attorney of the County of Kaua'i, and three individuals.

Charles Hirata is retired from the Maui Police Department after more than thirty-two years of service. Mr. Hirata served in various positions of the Maui Police Department, including patrol, traffic (commander), theft, gambling, dispatch (supervisor), crime reduction unit (supervisor), and crime investigation (detective). He is a graduate of Maui Community College with Associate's degrees in Liberal Arts and Administration of Justice. Mr. Hirata also graduated from the Federal Bureau of Investigation National Academy, 205th Session, in June 2001. He has received numerous awards, including a 1996 Law Enforcement Award from Mothers Against Drunk Driving, a 2001 Hawaii State Legislature Resolution for contributions to the improvement of traffic safety, 2001 Alaka'i Award for Leadership in Traffic Safety in Hawaii, and 2007 Public Safety Award from the National Highway Traffic Safety Administration.

As affirmed by the record of votes of the members of your Committee on Transportation and International 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, 8. Noes, none. Excused, 1 (Slom).

**SCRep. 3099 Transportation and International Affairs on Gov. Msg. No. 510**

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 510 BYRON FUJIEDA, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Byron Fujieda to possess the requisite qualifications to be nominated to the State Highway Safety Council.

Your Committee received testimony in support of the nomination of Byron Fujieda from the Department of Transportation, Office of the Public Defender, Maui Department of the Prosecuting Attorney, County of Hawai'i Office of the Prosecuting Attorney, County of Kaua'i Office of the Prosecuting Attorney, and one individual.

Byron Fujieda is a Deputy Prosecuting Attorney with the County of Maui. He received a Juris Doctorate degree from Gonzaga University School of Law and a Bachelor of Arts degree from the University of Hawaii at Manoa. Mr. Fujieda also served as Law Clerk to the Honorable John C. Bryant, and he was a Hawaii State House Finance Committee Staff Researcher. He has extensive training and experience in prosecuting traffic and drug cases, among other prosecutorial areas.

More specifically, Mr. Fujieda's legal background, when combined with his work experiences on safety issues over the last ten years, will provide the Council with a unique blend of skillsets to further the mission and objectives of the Council.

As affirmed by the record of votes of the members of your Committee on Transportation and International 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, 8. Noes, none. Excused, 1 (Slom).

**SCRep. 3100 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 80**

The purpose and intent of this measure is to request the Drug Enforcement Administration to remove marijuana from federal schedule I, in recognition of the currently accepted practice in Hawaii and other states of using marijuana for medical treatment purposes.

Your Committee received testimony in support of this measure from the Department of Health, Americans for Safe Access, Community Alliance on Prisons, Drug Policy Action Group, Epilepsy Foundation of Hawaii, Hawaii Standard and Green Futures, and thirty-nine individuals. Your Committee received testimony in opposition to this measure from the Honolulu Police Department. Your Committee received comments on this measure from five individuals.

Your Committee finds that under the federal Controlled Substances Act, scheduling under schedule I requires several findings, one of which is that the drug or controlled substance has no currently accepted medical use in treatment in the United States. Marijuana does not meet the criteria of a federal schedule I controlled substance because using marijuana for medical treatment purposes is authorized in Hawaii and in other states. The Drug Enforcement Administration, by enforcing an obsolete regulation that classifies marijuana as a federal schedule I controlled substance and ignoring the currently accepted medical use of marijuana in treatment that exists in Hawaii and other states, is preventing Hawaii from creating a state regulated distribution system that complies with federal law. Removing marijuana from federal schedule I will allow Hawaii to create a state regulated distribution system that will let patients purchase marijuana for medical use.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 37 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 3101 Public Safety, Intergovernmental and Military Affairs on S.R. No. 37**

The purpose and intent of this measure is to request the Drug Enforcement Administration to remove marijuana from federal schedule I, in recognition of the currently accepted practice in Hawaii and other states of using marijuana for medical treatment purposes.

Your Committee received testimony in support of this measure from the Department of Health, Americans for Safe Access, Community Alliance on Prisons, Drug Policy Action Group, Epilepsy Foundation of Hawaii, Hawaii Standard and Green Futures, and thirty-nine individuals. Your Committee received testimony in opposition to this measure from the Honolulu Police Department. Your Committee received comments on this measure from five individuals.

Your Committee finds that under the federal Controlled Substances Act, scheduling under schedule I requires several findings, one of which is that the drug or controlled substance has no currently accepted medical use in treatment in the United States. Marijuana does not meet the criteria of a federal schedule I controlled substance because using marijuana for medical treatment purposes is authorized in Hawaii and in other states. The Drug Enforcement Administration, by enforcing an obsolete regulation that classifies marijuana as a federal schedule I controlled substance and ignoring the currently accepted medical use of marijuana in treatment that exists in Hawaii and other states, is preventing Hawaii from creating a state regulated distribution system that complies with federal law. Removing marijuana from federal schedule I will allow Hawaii to create a state regulated distribution system that will let patients purchase marijuana for medical use.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 37 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 3102      Judiciary and Labor on S.C.R. No. 110**

The purpose and intent of this measure is to request the Hawaii Labor Relations Board to conduct an investigation into the grievance arbitration process in public collective bargaining.

Your Committee received testimony in support of this measure from the Hawaii Labor Relations Board. Your Committee received testimony in opposition to this measure from the University of Hawaii Professional Assembly; and United Public Workers, AFSCME Local 646, AFL-CIO. Your Committee received comments on this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the grievance arbitration process under a public collective bargaining agreement is intended to maintain labor stability and peace during the term of a contract between public employers and employees. The grievance arbitration process should be a simplified system that provides a quick, just, and cost-effective resolution to conflicts between public employers and employees. However, the existing labor arbitration process has become dominated by the advocacy of attorneys, which has unnecessarily formalized the entire hearing process, complicated and lengthened its completion time, increased its attendant costs, and created a more adversarial environment. This measure requests the Hawaii Labor Relations Board to conduct an investigation into the grievance arbitration process in public collective bargaining to make findings and recommendations to improve labor arbitrations.

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 Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 110, 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. 110, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Ihara).

**SCRep. 3103      Judiciary and Labor on S.R. No. 59**

The purpose and intent of this measure is to request the Hawaii Labor Relations Board to conduct an investigation into the grievance arbitration process in public collective bargaining.

Your Committee received testimony in support of this measure from the Hawaii Labor Relations Board. Your Committee received testimony in opposition to this measure from the University of Hawaii Professional Assembly; and United Public Workers, AFSCME Local 646, AFL-CIO. Your Committee received comments on this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the grievance arbitration process under a public collective bargaining agreement is intended to maintain labor stability and peace during the term of a contract between public employers and employees. The grievance arbitration process should be a simplified system that provides a quick, just, and cost-effective resolution to conflicts between public employers and employees. However, the existing labor arbitration process has become dominated by the advocacy of attorneys, which has unnecessarily formalized the entire hearing process, complicated and lengthened its completion time, increased its attendant costs, and created a more adversarial environment. This measure requests the Hawaii Labor Relations Board to conduct an investigation into the grievance arbitration process in public collective bargaining to make findings and recommendations to improve labor arbitrations.

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 Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 59, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 59, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Ihara).

**SCRep. 3104      Hawaiian Affairs on S.C.R. No. 118**

The purpose and intent of this measure is to urge the Department of Hawaiian Home Lands to:

- (1) Submit a report to the Legislature regarding its policy to develop rental properties for occupancy by its beneficiaries; and
- (2) Ensure that its beneficiaries will not lose their place on the homestead waitlist while residing in a Department of Hawaiian Home Lands' rental.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs and Waimanalo Hawaiian Homes Association. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Hawaiian Home Lands.

Your Committee finds that more than 26,000 individual applicants are on the Department of Hawaiian Home Lands' waitlist. Many beneficiaries on the waitlist are low income and must first establish credit to qualify for a mortgage on a homestead lease. In addition, many beneficiaries with homestead leases are unable to pay their mortgages and are in default. Your Committee concludes that, to

alleviate the extensive beneficiary waitlist, the Department of Hawaiian Home Lands may find value in creating a transitional rental property program to house beneficiaries without permitting the beneficiaries' position on the waitlist to be jeopardized if they enter into the rental property program.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 118 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, 1 (Galuteria).

**SCRep. 3105 (Joint) Higher Education and Judiciary and Labor on S.C.R. No. 116**

The purpose and intent of this measure is to request the Hawaii Access to Justice Commission to convene a working group to develop an educational loan repayment program for graduates of the William S. Richardson School of Law to expand opportunities for graduates to pursue public interest careers in the State that directly serve underserved communities.

Your Committees received testimony in support of this measure from the William S. Richardson School of Law, Hawai'i Access to Justice Commission, Community Alliance on Prisons, and one individual.

Your Committees find that the Hawaii Access to Justice Commission's (Commission) mission is to increase access to justice in civil matters for low- and moderate-income residents. The Commission has found that one of the reasons for the disparity in access to the judicial system is the insufficient number of attorneys in the State who choose to practice public interest law.

Your Committees further find that there are not enough new lawyers that are able to practice public interest law due to accumulated educational debt incurred, the high cost of living in Hawaii, and the low compensation for public interest work compared to other practice areas.

This measure will establish a working group to develop an educational loan program for graduates of the William S. Richardson School of Law to expand opportunities for graduates to pursue public interest careers in the State that directly serve underserved communities. In establishing such a program, Hawaii would join the federal government and twenty-six other jurisdictions nationwide that have loan repayment assistance programs to encourage lawyers to pursue public interest work.

Your Committees note that in the future, the Legislature may wish to examine whether similar loan repayment programs should be extended to other educational disciplines for which there is a need to encourage public interest work in disadvantaged and underserved areas.

Your Committees would also encourage Hawaii's congressional delegation to examine whether federal loan repayment programs could be expanded to include other disciplines as well.

As affirmed by the records of votes of the members of your Committees on Higher Education and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 116 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Higher Education  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Ige, Kidani, Tokuda).  
Judiciary and Labor  
Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Galuteria, Ihara).

**SCRep. 3106 (Joint) Education and Health on S.C.R. No. 126**

The purpose and intent of this measure is to encourage the Department of Education, in collaboration with the Department of Health, to develop nutritionally sound public school menu plans that give students the option of low-fat, plant-based, and high-fiber entrees as part of a school lunch meal.

Your Committees received testimony in support of this measure from the Department of Health and four individuals. Your Committees received comments on this measure from the Department of Education.

Your Committees find that many of Hawaii's children are either overweight or at risk of becoming overweight. Many children consume too much saturated fat and sodium and do not get enough fiber, whole grains, fruits, or vegetables. Since many children get half their daily calories at school, this measure will provide children the opportunity to lower the risk of becoming overweight and developing certain health conditions by providing low-fat, plant-based, and high-fiber entrees as part of school lunch meals.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 126 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Education  
Ayes, 4. Noes, none. Excused, 1 (Slom).  
Health  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3107 (Joint) Human Services and Health on S.C.R. No. 79**

The purpose and intent of this measure is to prevent a one year delay in rebasing of the prospective payment system rates for intermediate care facilities for individuals with intellectual disabilities that serve Medicaid recipients by:

- (1) Requesting the Department of Human Services to perform the rebasing for the fiscal year ending June 30, 2016, to be effective July 1, 2015, and using cost reports from providers from the base year ending June 30, 2013; and
- (2) Urging the Director of Health to include sufficient funding to cover any increase in basic prospective payment system rates resulting from the rebasing in its 2015-2017 biennium budget.

Your Committees received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, The Arc in Hawaii, ARC of Maui County, Hawaii Disability Rights Center, and forty-three individuals. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that, especially due to suspended annual inflation adjustments and increased costs of workers' compensation insurance, a one year delay in rebasing of prospective payment rates would be a significant financial burden for operators of intermediate care facilities for individuals with intellectual disabilities that serve Medicaid recipients. According to section 17-1739.2-17, Hawaii Administrative Rules, the Department of Human Services is required to perform a rebasing using updated cost report data so that basic prospective payment system rates are recalculated every eight years at minimum. Your Committees received testimony from the Department of Human Services indicating a willingness to rebase the prospective payment system rates for operators of intermediate care facilities to be effective July 1, 2015, so long as the Department of Health provides the funding necessary to cover the rebasing.

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. 79 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3108 Human Services on S.C.R. No. 48**

The purpose and intent of this measure is to encourage compliance with section 26H-6, Hawaii Revised Statutes, by requesting that the Auditor conduct an analysis of the probable effects of licensing and regulating clean and sober homes as proposed in S.B. No. 2587, Regular Session of 2014.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee finds that the Clean and Sober Homes and Halfway Houses Task Force identified a need to improve the operation of group homes. While some homes are well-run, others are overcrowded and not well-managed. Your Committee further finds that creating standards in this unregulated industry will increase the quality of service provided by the operators of clean and sober homes, increase the number of homes that maintain appropriate living conditions, provide guidance to home operators about what is expected of them, and provide consumers with a framework on what to expect from these services. Finally, your Committee finds that this measure supports the State's continued efforts to provide a stable living environment for individuals struggling with substance abuse.

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. 48 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 3109 (Joint) Health and Education on S.C.R. No. 76**

The purpose and intent of this measure is to:

- (1) Request the Superintendent of Education and the Director of Health to convene a working group to assess whether children in Hawaii who are deaf or severely hard of hearing and who choose the aural/oral route of communication receive proper training and support to learn spoken language skills;
- (2) Request the working group to assess whether a gap in education and health care exists for children who are deaf or severely hard of hearing such that they do not adequately receive the guidance of therapists who are trained in the field of oral speech therapy and that children are given the accommodations required by law for their schooling; and
- (3) Require the working group submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

Your Committees received testimony in support of this measure from the Department of Health, Department of Education, State Council on Developmental Disabilities, and five individuals.

Your Committees received testimony in opposition to this measure from the Aloha State Association of the Deaf.

Your Committees find that the Rehabilitation Act of 1973 protects the rights of individuals with disabilities to access programs and services that are supported by federal funds. Since public schools receive federal funds, they must provide a free education in the least restrictive environment to students with physical impairments.

Your Committees further find that for children who are seriously hard of hearing or deaf, some of the accommodations that the State is required to provide under these laws are access to least restrictive environments, including carpeted rooms and tiles on the ceiling to absorb sound, and individual education programs to establish a specific course of action for these children's education. This measure will support children in Hawaii who are hard of hearing or deaf and may not be receiving adequate educational opportunities that are legally afforded to them.

Your Committees have amended this measure by:

- (1) Removing the requirement that the working group submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015; and
- (2) 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 Health and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 76, 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. 76, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

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

Education

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

**SCRep. 3110 Health on S.C.R. No. 123**

The purpose and intent of this measure is to:

- (1) Encourage the Department of Health to establish a Fetal Alcohol Spectrum Disorder Interagency Coordinating Council within the Family Health Services Division to coordinate and develop fetal alcohol spectrum disorder information, education, policies, and support services; and
- (2) Require the Council to submit its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

Your Committee received testimony in support of this measure from the Department of Health and one individual.

Your Committee finds that fetal alcohol spectrum disorder is the umbrella term used to describe a range of disorders caused by prenatal alcohol exposure. Your Committee further finds that alcohol exposure during pregnancy produces the most serious neurobehavioral effects in the fetus. This measure will increase awareness about fetal alcohol spectrum disorder, expand the capacity of the State to identify at-risk women, and facilitate a statewide strategic plan addressing fetal alcohol spectrum disorder.

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. 123 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, 1 (Nishihara).

**SCRep. 3111 Health on S.R. No. 65**

The purpose and intent of this measure is to:

- (1) Encourage the Department of Health to establish a Fetal Alcohol Spectrum Disorder Interagency Coordinating Council within the Family Health Services Division to coordinate and develop fetal alcohol spectrum disorder information, education, policies, and support services; and
- (2) Require the Council to submit its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

Your Committee received testimony in support of this measure from the Department of Health and one individual.

Your Committee finds that fetal alcohol spectrum disorder is the umbrella term used to describe a range of disorders caused by prenatal alcohol exposure. Your Committee further finds that alcohol exposure during pregnancy produces the most serious neurobehavioral effects in the fetus. This measure will increase awareness about fetal alcohol spectrum disorder, expand the capacity of the State to identify at-risk women, and facilitate a statewide strategic plan addressing fetal alcohol spectrum disorder.

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. 65 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, 1 (Nishihara).

**SCRep. 3112 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 97**

The purpose and intent of this measure is to request the Department of Health to:



- (1) Provide food safety workshops or classes on all islands for persons with temporary food establishment permits;
- (2) Provide copies of its food safety administrative rules to consumers and interested stakeholders;
- (3) Convene a Cottage Food Business Working Group composed of representatives from the Department of Health and the cottage food industry; and
- (4) Submit a report of the Cottage Food Business Working Group's findings, recommendations, and any proposed legislation to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau, Local Food Coalition, and two individuals. Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees find that temporary food establishment permits issued by the Department of Health for cottage food businesses are invaluable for local entrepreneurship and the establishment of a local, sustainable food industry. Your Committees further find that food safety workshops or classes available on all islands would be beneficial to home cooks who wish to grow their cottage food businesses. This measure will support public health, as well as the local food movement that has become very popular in Hawaii.

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 Health and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 97, 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. 97, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Nishihara).

Commerce and Consumer Protection

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Nishihara).

**SCRep. 3113 Health on S.R. No. 15**

The purpose and intent of this measure is to establish an advance health care directive working group to:

- (1) Explore strategies to ensure all adults execute an advance health care directive; and
- (2) Submit a report of its findings and recommendations to the Legislature.

Your Committee received testimony in support of this measure from Hospice Hawaii.

Your Committee finds that an advance health care directive is a premade set of instructions concerning decisions about a person's medical treatment and health issues if the person is later unable to make medical decisions. Your Committee further finds that when adults have advance health care directives, there is greater certainty for hospitals and other health care facilities regarding the appropriate medical treatment of individuals consistent with their medical preferences.

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. 15 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3114 (Joint) Transportation and International Affairs and Education on S.C.R. No. 68**

The purpose and intent of this measure is to request the Department of Transportation to maximize the use of federal funds under the safe routes to school program.

Your Committees received testimony in support of this measure from Hawai'i Pacific Health, Kauai Path, Inc., Hawaii Bicycling League, Cycle On Hawaii, and four individuals. Your Committees received testimony in opposition to this measure from the Department of Transportation. Your Committees received comments on this measure from the Department of Health.

Safe Routes to School is a federally-funded program designed to substantially improve the ability of primary and middle school students to bike and walk to and from school safely. The purpose of the safe routes to school program in Hawaii is also to promote walking and bicycling to and from school, encourage elementary and middle school aged children to be physically active, and prevent childhood obesity.

Your Committees are concerned for the safety of children and want to ensure that projects of the Department of Transportation that are located adjacent to schools include pedestrian safety and traffic calming measures. Your Committees find that the Department of Transportation may not be using federal grants to the maximum extent possible for traffic safety projects in school zones. Your Committees believe that sound public policy by the State includes using and maximizing federal funds whenever possible and therefore finds that the State should use federal funds available to supplement projects of the Department of Transportation that are adjacent to schools to enable students to safely walk and bike to and from school.

Your Committees also believe that the Hawaii safe routes to school program should be a federal-state-private entity partnership to maximize federal funding and that the Department of Transportation and Department of Education should encourage private entities to assist in funding the program.

Your Committees have amended this measure by:

- (1) Adding language to request the Department of Transportation and Department of Education to encourage private entities to assist in funding the program as a federal-state-private entity partnership to maximize federal funding;
- (2) Amending the title of the measure to read, "REQUESTING THE DEPARTMENT OF TRANSPORTATION TO MAXIMIZE THE USE OF FEDERAL FUNDS UNDER THE SAFE ROUTES TO SCHOOL PROGRAM, AND REQUESTING THE DEPARTMENT OF TRANSPORTATION AND DEPARTMENT OF EDUCATION TO ENCOURAGE PRIVATE ENTITIES TO ASSIST IN FUNDING THE PROGRAM"; and
- (3) 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 Transportation and International Affairs and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 68, 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. 68, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Espero, Solomon, Slom).

Education

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 3115 (Joint) Transportation and International Affairs and Education on S.R. No. 33**

The purpose and intent of this measure is to request the Department of Transportation to maximize the use of federal funds under the safe routes to school program.

Your Committees received testimony in support of this measure from Hawai'i Pacific Health, Kauai Path, Inc., Hawaii Bicycling League, Cycle On Hawaii, and four individuals. Your Committees received testimony in opposition to this measure from the Department of Transportation. Your Committees received comments on this measure from the Department of Health.

Safe Routes to School is a federally-funded program designed to substantially improve the ability of primary and middle school students to bike and walk to and from school safely. The purpose of the safe routes to school program in Hawaii is also to promote walking and bicycling to and from school, encourage elementary and middle school aged children to be physically active, and prevent childhood obesity.

Your Committees are concerned for the safety of children and want to ensure that projects of the Department of Transportation that are located adjacent to schools include pedestrian safety and traffic calming measures. Your Committees find that the Department of Transportation may not be using federal grants to the maximum extent possible for traffic safety projects in school zones. Your Committees believe that sound public policy by the State includes using and maximizing federal funds whenever possible and therefore finds that the State should use federal funds available to supplement projects of the Department of Transportation that are adjacent to schools to enable students to safely walk and bike to and from school.

Your Committees also believe that the Hawaii safe routes to school program should be a federal-state-private entity partnership to maximize federal funding and that the Department of Transportation and Department of Education should encourage private entities to assist in funding the program.

Your Committees have amended this measure by:

- (1) Adding language to request the Department of Transportation and Department of Education to encourage private entities to assist in funding the program as a federal-state-private entity partnership to maximize federal funding;
- (2) Amending the title of the measure to read, "REQUESTING THE DEPARTMENT OF TRANSPORTATION TO MAXIMIZE THE USE OF FEDERAL FUNDS UNDER THE SAFE ROUTES TO SCHOOL PROGRAM, AND REQUESTING THE DEPARTMENT OF TRANSPORTATION AND DEPARTMENT OF EDUCATION TO ENCOURAGE PRIVATE ENTITIES TO ASSIST IN FUNDING THE PROGRAM"; and
- (3) 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 Transportation and International Affairs and Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 33, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 33, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Espero, Solomon, Slom).

Education

Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 3116 Transportation and International Affairs on S.C.R. No. 122**

The purpose and intent of this measure is to request the Department of Transportation to immediately correct the defects of the vehicle safety inspection decals, hold accountable the contractor that developed the decals, and develop protocols that will ensure quality control standards of its programs.

Your Committee received comments on this measure from the Department of Transportation.

A vehicle inspection certificate is issued for and a vehicle safety inspection decal is affixed to a vehicle that has passed a safety inspection. Your Committee finds that the current vehicle safety inspection decals that were approved for use by the Department of Transportation can easily be altered by using common items like acetone-based nail polish remover. Your Committee finds that the ability to alter vehicle safety inspection decals allows individuals to change or erase expiration dates and makes it difficult for law enforcement to enforce vehicle safety inspections. This measure requests immediate action to correct this issue.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 122 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Keith-Agaran). Noes, none. Excused, 4 (Espero, Gabbard, Solomon, Slom).

**SCRep. 3117 (Joint) Technology and the Arts and Transportation and International Affairs on S.C.R. No. 57**

The purpose and intent of this measure is to support a bid to the Council of Pacific Arts and Culture for Hawaii to host the 2020 Festival of Pacific Arts.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority, Kali'ula Foundation/Na Kini Kailua, and thirteen individuals.

Your Committees find that the Festival of Pacific Arts was established in 1972 to maintain the traditional cultural practices of the nations in Oceania and to encourage younger generations to learn from their elders and the masters of the arts. The Festival is a traveling event that allows nations in Oceania to showcase, share, and exchange their indigenous cultures and is hosted every four years by a different nation in Oceania. The Council of Pacific Arts and Culture selects the host country based on the principles of equitable opportunity, by rotating the Festival among nations that have never hosted. While Hawaii has participated in every Festival, it has never hosted the Festival. Hawaii has sizable populations from nations in Oceania, a large tourist market, and experience hosting cultural events. Hosting the Festival of Pacific Arts would also provide an economic boost to the State.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 57 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

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

Transportation and International Affairs

Ayes, 5. Noes, none. Excused, 4 (Espero, Gabbard, Solomon, Slom).

**SCRep. 3118 (Joint) Economic Development, Government Operations and Housing and Human Services on S.C.R. No. 108**

The purpose and intent of this measure is to request the High Technology Development Corporation to establish a geriatric research and technology park in central Oahu.

Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation and High Technology Development Corporation.

Your Committees find that age is the single most important factor in understanding health status and the need and demand for health care resources. Since statehood, Hawaii's elderly population as a percentage of the total state population has increased three-fold, from roughly five percent in 1960 to fifteen percent in 2012.

Your Committees further find that Wahiawa provides one of the top senior care service programs. Aged to Perfection is an adult day care center providing elders with social activities, meals, and general supervision, drawing interns from top universities across the country, including the University of Hawaii, University of Southern California, and University of Arizona. Establishing an economic hub for the geriatric industry may attract new businesses and technologies to provide jobs for Oahu communities, including central Oahu, as well as products and services for neighboring geriatric facilities and programs.

Your Committees have amended this measure by:

- (1) Requesting that the High Technology Development Corporation establish a working group, rather than a geriatric research and technology park, with the Executive Office on Aging and Wahiawa General Hospital to establish a geriatric research and technology park in central Oahu;
- (2) Directing the working group, rather than the Board of Directors of the High Technology Development Corporation, to administer the geriatric research and technology park;
- (3) Inserting language to include an aging and disability resource center as a component of long-term care objectives for the geriatric research and technology park;
- (4) Requesting the Board of Directors of the High Technology Development Corporation to develop the geriatric research and technology park in consultation with the Executive Office on Aging, Wahiawa General Hospital, and working group, rather than the Aging and Disability Resource Center, Aged to Perfection, and the Hawaii Housing Finance and Development Corporation; and
- (5) 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 Economic Development, Government Operations and Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 108, 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. 108, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (English, Slom).

Human Services  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 3119 (Joint) Economic Development, Government Operations and Housing and Human Services on S.R. No. 54**

The purpose and intent of this measure is to request the High Technology Development Corporation to establish a geriatric research and technology park in central Oahu.

Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation and High Technology Development Corporation.

Your Committees find that age is the single most important factor in understanding health status and the need and demand for health care resources. Since statehood, Hawaii's elderly population as a percentage of the total state population has increased three-fold, from roughly five percent in 1960 to fifteen percent in 2012.

Your Committees further find that Wahiawa provides one of the top senior care service programs. Aged to Perfection is an adult day care center providing elders with social activities, meals, and general supervision, drawing interns from top universities across the country, including the University of Hawaii, University of Southern California, and University of Arizona. Establishing an economic hub for the geriatric industry may attract new businesses and technologies to provide jobs for Oahu communities, including central Oahu, as well as products and services for neighboring geriatric facilities and programs.

Your Committees have amended this measure by:

- (1) Requesting that the High Technology Development Corporation establish a working group, rather than a geriatric research and technology park, with the Executive Office on Aging and Wahiawa General Hospital to establish a geriatric research and technology park in central Oahu;
- (2) Directing the working group, rather than the Board of Directors of the High Technology Development Corporation, to administer the geriatric research and technology park;
- (3) Inserting language to include an aging and disability resource center as a component of long-term care objectives for the geriatric research and technology park;
- (4) Requesting the Board of Directors of the High Technology Development Corporation to develop the geriatric research and technology park in consultation with the Executive Office on Aging, Wahiawa General Hospital, and working group, rather than the Aging and Disability Resource Center, Aged to Perfection, and the Hawaii Housing Finance and Development Corporation; and
- (5) 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 Economic Development, Government Operations and Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 54, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 54, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (English, Slom).

Human Services  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 3120 (Joint) Economic Development, Government Operations and Housing and Human Services on S.C.R. No. 99**

The purpose and intent of this measure is to request various government entities, private sector housing developers, and community organizations to collaborate and produce a comprehensive statewide housing plan.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities and Hawaii Primary Care Association. Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation, Hawaii Community Development Authority, and Building Industry Association of Hawaii.

Your Committees find that housing is a serious and immediate concern for many Hawaii residents. The lack of available land, low wage positions coupled with the high cost of living, the high cost of construction, and shortage of public funds are some of the factors that have contributed to one of the lowest rates of home ownership in the country and a strong need for affordable rental housing. Addressing Hawaii's housing needs will be a challenge because of the sheer number of units needed to meet demand and the various barriers that can prevent development and preservation of needed affordable housing. A coordinated effort between government agencies involved in housing, the private sector, and community organizations is necessary to make the most substantial and effective progress toward addressing Hawaii's housing crisis.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 99 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (English, Slom).

Human Services  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 3121 Water and Land on S.R. No. 80**

The purpose and intent of this measure is to urge the Board of Land and Natural Resources to not reissue a direct lease to the University of Hawaii for the Mauna Kea Science Reserve, among other related lease matters.

Your Committee did not receive any testimony on this measure.

Prior to a hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which expresses legislative support for Hawai'i's bid to host the 2016 World Conservation Congress of the International Union for Conservation of Nature.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources, University of Hawai'i System, Hawai'i Lodging & Tourism Association, The Nature Conservancy, Pacific Marketing Corporation, Kewalo Marine Lab, Honua Consulting, National Tropical Botanical Garden, Coordinated Group on Alien Pest Species, Enterprise Honolulu, Hawaii 2016 World Conservation Congress Alliance, and six individuals.

Your Committee finds that the International Union for Conservation of Nature (IUCN) is a democratic membership union composed of more than one thousand two hundred government and non-governmental organizations and almost eleven thousand volunteer scientists in more than one hundred sixty countries. The IUCN World Conservation Congress convenes every four years. Attendees and active participants include world leaders, leaders in policy and conservation, scientists, academics, experts in alternative energy, indigenous peoples, the business community, prominent world citizens, and Nobel laureates.

Your Committee further finds that Hawai'i is a global leader in sustainability and biocultural conservation. Hawai'i actively participates with the IUCN through the leadership of Hawai'i's seven member organizations -- the Hawai'i Conservation Alliance, Bernice Pauahi Bishop Museum, National Tropical Botanical Garden, Polynesian Voyaging Society, Office of Hawaiian Affairs, Harold L. Lyon Arboretum, and Kamehameha Schools.

The Hawai'i International Union for Conservation of Nature 2016 World Conservation Congress Committee has been working for six years to bring the 2016 IUCN World Conservation Congress to Hawai'i. If the 2016 IUCN World Conservation Congress were held in Hawai'i, Hawai'i would have a priceless opportunity to display its natural and cultural diversity to the world.

Your Committee notes its concern about the funding mechanism for this Congress. Testimony indicated that passage of this measure is critically urgent as a prerequisite for final site selection scheduled in May 2014. If Hawaii is chosen, funding will be obtained primarily through federal agencies, which the State is pursuing, as well as through private entities, which Enterprise Honolulu is pursuing.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 80, 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. 80, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Ruderman, Shimabukuro, Taniguchi).

**SCRep. 3122 Water and Land on S.C.R. No. 144**

The purpose and intent of this measure is to urge the Board of Land and Natural Resources to not reissue a direct lease to the University of Hawaii for the Mauna Kea Science Reserve, among other related lease matters.

Your Committee did not receive any testimony on this measure.

Prior to a hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which expresses legislative support for Hawai'i's bid to host the 2016 World Conservation Congress of the International Union for Conservation of Nature.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources, University of Hawai'i System, Hawai'i Lodging & Tourism Association, The Nature Conservancy, Pacific Marketing Corporation, Kewalo Marine Lab, Honua Consulting, National Tropical Botanical Garden, Coordinated Group on Alien Pest Species, Enterprise Honolulu, Hawaii 2016 World Conservation Congress Alliance, and six individuals.

Your Committee finds that the International Union for Conservation of Nature (IUCN) is a democratic membership union composed of more than one thousand two hundred government and non-governmental organizations and almost eleven thousand volunteer scientists in more than one hundred sixty countries. The IUCN World Conservation Congress convenes every four years. Attendees and active participants include world leaders, leaders in policy and conservation, scientists, academics, experts in alternative energy, indigenous peoples, the business community, prominent world citizens, and Nobel laureates.

Your Committee further finds that Hawai'i is a global leader in sustainability and biocultural conservation. Hawai'i actively participates with the IUCN through the leadership of Hawai'i's seven member organizations -- the Hawai'i Conservation Alliance, Bernice Pauahi Bishop Museum, National Tropical Botanical Garden, Polynesian Voyaging Society, Office of Hawaiian Affairs, Harold L. Lyon Arboretum, and Kamehameha Schools.

The Hawai'i International Union for Conservation of Nature 2016 World Conservation Congress Committee has been working for six years to bring the 2016 IUCN World Conservation Congress to Hawai'i. If the 2016 IUCN World Conservation Congress were held in Hawai'i, Hawai'i would have a priceless opportunity to display its natural and cultural diversity to the world.

Your Committee notes its concern about the funding mechanism for this Congress. Testimony indicated that passage of this measure is critically urgent as a prerequisite for final site selection scheduled in May 2014. If Hawaii is chosen, funding will be obtained primarily through federal agencies, which the State is pursuing, as well as through private entities, which Enterprise Honolulu is pursuing.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 144, 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. 144, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Ruderman, Shimabukuro, Taniguchi).

**SCRep. 3123 Water and Land on S.C.R. No. 77**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement, covering a portion of state submerged lands at Waiohuli-Keokea Homesteads, Kihei, Maui, for seawall and rock revetment purposes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that a seawall and rubble rock revetment encumber approximately 2,387 square feet, of which is a portion of state submerged lands seaward of Tax Map Key: (2) 3-9-012:004. On May 18, 2006, the Office of Conservation and Coastal Lands of the Department of Land and Natural Resources determined that allowing the encroachment to remain through the issuance of an easement would have no adverse impact on natural resources, including beach resources and public access. On June 10, 2010, under agenda item D-10, the Board of Land and Natural Resources granted an amended approval for a fifty-five year term, non-exclusive easement to a private trust. This measure provides legislative approval pursuant to section 171-53, Hawaii Revised Statutes, for the issuance of the easement.

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 Water and Land 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 that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 77, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Ruderman, Taniguchi).

**SCRep. 3124 (Joint) Water and Land and Hawaiian Affairs on S.R. No. 72**

The purpose and intent of this measure is to request the Department of Land and Natural Resources to designate the Royal Order of Kamehameha as the konohiki of Ka'awaloa to have oversight and management of Ka'awaloa and to formulate a master plan for Ka'awaloa.

Your Committees received testimony in support of this measure from the Office of the Kalaimoku; Office of the Ali'i 'Aimoku, Royal Order of Kamehameha I; Office of the Alii'aimoku, Moku O Kona; Royal Order of Kamehameha I Moku O Kahala, Chapter 9; and one individual. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources and Aha Moku Advisory Committee.

Your Committees find that Ka'awaloa was the vibrant village and home of Kalaniopu'u, the ruling chief of Hawaii in 1778, and it was also where Captain Cook anchored his two sailing vessels in the offshore waters of Kealahou Bay to engage and learn about life in the islands and restock food and water supplies.

The State of Hawaii provides a special designation to Iolani Palace and the Royal Mausoleum under the administration of the Division of State Parks. Ka'awaloa should be viewed as the predecessor of Iolani Palace, having been the ancient seat of governance for the ruling chief of the islands in 1778.

Your Committees further find that the Royal Order of Kamehameha, a Hawaii nonprofit entity, is broadly recognized and acknowledged throughout Hawaii as the preeminent leader, responsible for sustaining Hawaii's ancient traditions, obligations, and duties in perpetuity for all future generations. The Royal Order of Kamehameha continues to observe and preserve the ancient traditions, rituals, and customs of Hawaii's ancient leaders and understands the sensitivities, protocols, and cultural nuances that are essential to the historical and cultural underpinnings of the State of Hawaii.

Your Committees are concerned about the management aspect of Ka'awaloa. Your Committees believe it is critically important for the area to have a master plan that can be overseen by a knowledgeable entity. The Aha Moku Advisory Committee, created by section 171-4.5, Hawaii Revised Statutes, is ideal for this undertaking. Created by Act 288, Session Laws of Hawaii 2012, the Committee has made great strides in fulfilling that part of its mandate to integrate indigenous resource management practices with

western management practices in each moku, as well as to identify a comprehensive set of indigenous practices for natural resource management.

Your Committees have amended this measure by:

- (1) Adding language to request the Department of Land and Natural Resources to explore the possibility of leasing the Ka'awaloa land to the nonprofit Royal Order of Kamehameha for a nominal sum;
- (2) Adding the Aha Moku Advisory Committee to the entities that the Royal Order of Kamehameha is requested to consult in the formulation of the Master Plan;
- (3) Amending the title of the measure to read, "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO DESIGNATE THE ROYAL ORDER OF KAMEHAMEHA AS THE KONOHIKI OF KA'AWALO A TO HAVE OVERSIGHT AND MANAGEMENT OF KA'AWALO A, TO FORMULATE A MASTER PLAN FOR KA'AWALO A, AND TO EXPLORE THE POSSIBILITY OF LEASING THE KA'AWALO A LAND TO THE NONPROFIT ROYAL ORDER OF KAMEHAMEHA"; and
- (4) 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 Water and Land and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 72, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 72, S.D. 1.

Signed by the Chair and Majority Leader on behalf of the Committees.

Water and Land

Ayes, 5; Ayes with Reservations (Ruderman). Noes, none. Excused, 4 (Dela Cruz, Galuteria, Shimabukuro, Taniguchi).

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 3125 (Joint) Water and Land and Hawaiian Affairs on S.C.R. No. 136**

The purpose and intent of this measure is to request the Department of Land and Natural Resources to designate the Royal Order of Kamehameha as the konohiki of Ka'awaloa to have oversight and management of Ka'awaloa and to formulate a master plan for Ka'awaloa.

Your Committees received testimony in support of this measure from the Office of the Kalaimoku; Office of the Ali'i 'Aimoku, Royal Order of Kamehameha I; Office of the Alii'aimoku, Moku O Kona; Royal Order of Kamehameha I Moku O Kahala, Chapter 9; and one individual. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources and Aha Moku Advisory Committee.

Your Committees find that Ka'awaloa was the vibrant village and home of Kalaniopu'u, the ruling chief of Hawaii in 1778, and it was also where Captain Cook anchored his two sailing vessels in the offshore waters of Kealakekua Bay to engage and learn about life in the islands and restock food and water supplies.

The State of Hawaii provides a special designation to Iolani Palace and the Royal Mausoleum under the administration of the Division of State Parks. Ka'awaloa should be viewed as the predecessor of Iolani Palace, having been the ancient seat of governance for the ruling chief of the islands in 1778.

Your Committees further find that the Royal Order of Kamehameha, a Hawaii nonprofit entity, is broadly recognized and acknowledged throughout Hawaii as the preeminent leader, responsible for sustaining Hawaii's ancient traditions, obligations, and duties in perpetuity for all future generations. The Royal Order of Kamehameha continues to observe and preserve the ancient traditions, rituals, and customs of Hawaii's ancient leaders and understands the sensitivities, protocols, and cultural nuances that are essential to the historical and cultural underpinnings of the State of Hawaii.

Your Committees are concerned about the management aspect of Ka'awaloa. Your Committees believe it is critically important for the area to have a master plan that can be overseen by a knowledgeable entity. The Aha Moku Advisory Committee, created by section 171-4.5, Hawaii Revised Statutes, is ideal for this undertaking. Created by Act 288, Session Laws of Hawaii 2012, the Committee has made great strides in fulfilling that part of its mandate to integrate indigenous resource management practices with western management practices in each moku, as well as to identify a comprehensive set of indigenous practices for natural resource management.

Your Committees have amended this measure by:

- (1) Adding language to request the Department of Land and Natural Resources to explore the possibility of leasing the Ka'awaloa land to the nonprofit Royal Order of Kamehameha for a nominal sum;
- (2) Adding the Aha Moku Advisory Committee to the entities that the Royal Order of Kamehameha is requested to consult in the formulation of the Master Plan; and
- (3) Amending the title of the measure to read, "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO DESIGNATE THE ROYAL ORDER OF KAMEHAMEHA AS THE KONOHIKI OF KA'AWALO A TO HAVE OVERSIGHT AND MANAGEMENT OF KA'AWALO A, TO FORMULATE A MASTER PLAN FOR KA'AWALO A, AND TO EXPLORE THE POSSIBILITY OF LEASING THE KA'AWALO A LAND TO THE NONPROFIT ROYAL ORDER OF KAMEHAMEHA".

As affirmed by the records of votes of the members of your Committees on Water and Land and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 136, 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. 136, S.D. 1.

Signed by the Chair and Majority Leader on behalf of the Committees.

Water and Land

Ayes, 5; Ayes with Reservations (Ruderman). Noes, none. Excused, 4 (Dela Cruz, Galuteria, Shimabukuro, Taniguchi).

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 3126 (Joint) Water and Land and Hawaiian Affairs on S.R. No. 71**

The purpose and intent of this measure is to request the Kaho'olawe Island Reserve Commission (Commission) to plan for the development of its Kihei property to provide a sense of place that reflects the culture, history, and tradition of Native Hawaiians.

Your Committees received testimony in support of this measure from the Kaho'olawe Island Reserve Commission and two individuals.

Your Committees find that in 2000, the Commission prepared an environmental assessment to evaluate the potential impacts of the Commission's long-term plan for the subject property, including an office and information center, boathouse and storage facility, and native Hawaiian plant nursery. A Finding of No Significant Impact was published in May 2000, which allowed the boathouse project to proceed.

According to testimony of the Commission, the Commission envisions its Kihei site as the future gateway to Kaho'olawe, allowing both residents and visitors to learn about the Kaho'olawe Island Reserve and eventually to visit the island. The long-term plans for the site consist of a new office and information center that will house the Commission's permanent offices. The Commission's current offices are located in leased spaces in the Wailuku Industrial Area.

Your Committees believe that the proposed new office and information center should have a sense of place to reflect the culture, history, and tradition of Native Hawaiians, as the purposes for which the Kaho'olawe Island Reserve is to be used, pursuant to section 6K-3, Hawaii Revised Statutes, include the preservation and practice of all rights customarily and traditionally exercised by native Hawaiians for cultural, spiritual, and subsistence purposes, and preservation and protection of the Reserve's archaeological, historical, and environmental resources.

As affirmed by the records of votes of the members of your Committees on Water and Land and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 71 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.

Water and Land

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Galuteria, Shimabukuro, Taniguchi).

Hawaiian Affairs

Ayes, 3; Ayes with Reservations (Kidani). Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 3127 (Joint) Water and Land and Hawaiian Affairs on S.C.R. No. 135**

The purpose and intent of this measure is to request the Kaho'olawe Island Reserve Commission (Commission) to plan for the development of its Kihei property to provide a sense of place that reflects the culture, history, and tradition of Native Hawaiians.

Your Committees received testimony in support of this measure from the Kaho'olawe Island Reserve Commission and two individuals.

Your Committees find that in 2000, the Commission prepared an environmental assessment to evaluate the potential impacts of the Commission's long-term plan for the subject property, including an office and information center, boathouse and storage facility, and native Hawaiian plant nursery. A Finding of No Significant Impact was published in May 2000, which allowed the boathouse project to proceed.

According to testimony of the Commission, the Commission envisions its Kihei site as the future gateway to Kaho'olawe, allowing both residents and visitors to learn about the Kaho'olawe Island Reserve and eventually to visit the island. The long-term plans for the site consist of a new office and information center that will house the Commission's permanent offices. The Commission's current offices are located in leased spaces in the Wailuku Industrial Area.

Your Committees believe that the proposed new office and information center should have a sense of place to reflect the culture, history, and tradition of Native Hawaiians, as the purposes for which the Kaho'olawe Island Reserve is to be used, pursuant to section 6K-3, Hawaii Revised Statutes, include the preservation and practice of all rights customarily and traditionally exercised by native Hawaiians for cultural, spiritual, and subsistence purposes, and preservation and protection of the Reserve's archaeological, historical, and environmental resources.

As affirmed by the records of votes of the members of your Committees on Water and Land and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 135 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.

Water and Land

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Galuteria, Shimabukuro, Taniguchi).



## Hawaiian Affairs

Ayes, 3; Ayes with Reservations (Kidani). Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 3128 Water and Land on S.C.R. No. 78**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Lanikai, Koolauapoko, Oahu, for rock blanket and revetment purposes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that a single-family dwelling, along with a non-conforming shoreline protection structure as identified by the City and County of Honolulu Department of Planning and Permitting, was built on a certain lot in 1966, and there exists a rock blanket located seaward of the seawall and within lands designated as a conservation district. The Office of Conservation and Coastal Lands has determined that there is insufficient evidence to find whether the rock blanket was constructed prior to the adoption and administration of land use regulations for conservation districts by the Board of Land and Natural Resources in 1964.

On October 11, 2013, under agenda item D-4, the Board of Land and Natural Resources approved the request of Global Spring Management Hawaii, LLC, the owners of the lot, for a non-exclusive easement, pending the payment of an appraised fair market value for the easement. This measure provides legislative approval pursuant to section 171-53, Hawaii Revised Statutes, for the issuance of the easement.

Your Committee has amended this measure by:

- (1) Amending the title of the measure to read, "AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT KAILUA, KOOLAUPOKO, OAHU, FOR ROCK BLANKET AND REVETMENT PURPOSES."; and
- (2) 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 and Land 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 that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 78, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Ruderman, Taniguchi).

**SCRep. 3129 Water and Land on S.C.R. No. 146**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Niu, Honolulu, Oahu, for the use, maintenance, repair, replacement, and removal of an existing concrete pad, ladder, steps, and rock walls and for the use, maintenance, repair, replacement, and removal of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that an existing concrete pad, ladder, steps, and rock walls were placed on state submerged lands fronting property identified as Tax Map Key: (1) 3-7-002: seaward of 045, Niu, Honolulu, Oahu.

On February 14, 2014, under agenda item D-15, the Board of Land and Natural Resources approved a grant of a fifty-five year non-exclusive easement to resolve the encroachments on the subject property.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 146 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Ruderman, Taniguchi).

**SCRep. 3130 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.C.R. No. 107**

The purpose and intent of this measure is to request the Department of Accounting and General Services and Chief Information Officer to work with the High Technology Development Corporation to establish a public safety technology campus and cyber security command center.

Your Committees received testimony in support of this measure from the Department of Public Safety, Department of Accounting and General Services, Office of Information Management and Technology, City and County of Honolulu Emergency Medical Services, and one individual. Your Committees received comments on this measure from the High Technology Development Corporation.

Your Committees find that the State currently has low quality data centers that are not fulfilling the capacity, reliability, and security needs of various departments. There are over thirty data centers that are poorly secured and unmanned more than sixty-five percent of the time, exposing the State to the possibility of significant physical and cyber security breaches. Furthermore, some of these data center facilities are aging and located in inundation zones. However, the Office of Information Management and Technology has the ability to oversee the design, construction, and operation of a new secure data center that can house the State's centralized computing resources and key staff in a location away from flood and tsunami hazard zones. There are one hundred fifty acres of land for sale in central Oahu that allow for greater power reliability through the availability of electrical feeds. The establishment of a public safety

technology campus and cyber security command center in central Oahu will improve the reliability, availability, and capabilities of the State's data processing and communications infrastructure.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 107 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Tokuda).

**SCRep. 3131 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.R. No. 53**

The purpose and intent of this measure is to request the Department of Accounting and General Services and Chief Information Officer to work with the High Technology Development Corporation to establish a public safety technology campus and cyber security command center.

Your Committees received testimony in support of this measure from the Department of Public Safety, Department of Accounting and General Services, Office of Information Management and Technology, City and County of Honolulu Emergency Medical Services, and one individual. Your Committees received comments on this measure from the High Technology Development Corporation.

Your Committees find that the State currently has low quality data centers that are not fulfilling the capacity, reliability, and security needs of various departments. There are over thirty data centers that are poorly secured and unmanned more than sixty-five percent of the time, exposing the State to the possibility of significant physical and cyber security breaches. Furthermore, some of these data center facilities are aging and located in inundation zones. However, the Office of Information Management and Technology has the ability to oversee the design, construction, and operation of a new secure data center that can house the State's centralized computing resources and key staff in a location away from flood and tsunami hazard zones. There are one hundred fifty acres of land for sale in central Oahu that allow for greater power reliability through the availability of electrical feeds. The establishment of a public safety technology campus and cyber security command center in central Oahu will improve the reliability, availability, and capabilities of the State's data processing and communications infrastructure.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 53 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Tokuda).

**SCRep. 3132 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 120**

The purpose and intent of this measure is to modernize the State's correctional facilities by requesting the Department of Public Safety to enter into a public-private partnership agreement for the planning, design, and construction of new or renovated correctional facilities.

Your Committee received testimony in support of this measure from the Department of Public Safety, Department of the Attorney General, Department of Land and Natural Resources, Department of Accounting and General Services, Department of Budget and Finance, Department of the Prosecuting Attorney of the City and County of Honolulu, and Laborers Union Local 368. Your Committee received testimony in opposition to this measure from Community Alliance on Prisons, Hawaii Friends of Justice and Civic Education, Ohana Ho'opakele, Malu 'Aina, and forty-three individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs and one individual.

Your Committee finds that the Department of Public Safety operates seven correctional facilities in the State. These correctional facilities have not been significantly expanded since 1987, when the Halawa Medium Security Facility was opened. All seven of these facilities are in need of modernization or expansion to meet the State's correctional needs. Under existing law, the Governor may enter into and execute contracts with a private entity to construct correctional facilities to be leased or purchased for the benefit of the State. A public-private partnership agreement for the construction of new statewide correctional facilities that may include reentry centers, reporting centers, treatment centers, and halfway homes, to be owned and operated by the State and its counties, will assist the State in meeting the challenges of providing adequate inmate housing, services, and programs.

Your Committee has amended this measure by:

- (1) Amending the title to read, "URGING THE GOVERNOR TO ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP AGREEMENT FOR A NEW SYSTEM OF CORRECTIONAL FACILITIES THAT MAY INCLUDE REENTRY CENTERS, REPORTING CENTERS, TREATMENT CENTERS, PRISONS, JAILS, AND HALFWAY HOMES, TO BE OWNED AND OPERATED BY THE STATE AND ITS COUNTIES";
- (2) Inserting additional language regarding the State's mainland prisoners, existing correctional facilities, prison population, and potential federal intervention to further explain the State's need for a new system of correctional facilities;

- (3) Inserting additional language that the Department of Public Safety has not provided a concrete plan to rebuild the prisons and jails in response to the burgeoning prison system crisis;
- (4) Inserting additional language that no later than July 1, 2018, the Governor is urged to achieve the goal of bringing home all of the State's prisoners that are incarcerated on the mainland;
- (5) Inserting additional language that the public-private partnership be in accordance with the Justice Reinvestment Act and that a minimum of seventy percent of the repayment costs for the new system of correctional facilities be paid for through cost savings and efficiencies;
- (6) Inserting additional language regarding the public-private partnership's duties and proposals;
- (7) Inserting additional language that no later than May 31, 2014, the relevant state departments put out a request for proposals to the prison building industry;
- (8) Inserting additional language that no later than December 31, 2014, the State select a private partner to accomplish the goal of providing Hawaii with a new system of correctional facilities; and
- (9) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 120, 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. 120, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Green, Slom). Noes, none. Excused, 1 (Galuteria).

**SCRep. 3133 Public Safety, Intergovernmental and Military Affairs on S.R. No. 63**

The purpose and intent of this measure is to modernize the State's correctional facilities by requesting the Department of Public Safety to enter into a public-private partnership agreement for the planning, design, and construction of new or renovated correctional facilities.

Your Committee received testimony in support of this measure from the Department of Public Safety, Department of the Attorney General, Department of Land and Natural Resources, Department of Accounting and General Services, Department of Budget and Finance, Department of the Prosecuting Attorney of the City and County of Honolulu, and Laborers Union Local 368. Your Committee received testimony in opposition to this measure from Community Alliance on Prisons, Hawaii Friends of Justice and Civic Education, Ohana Ho'opakele, Malu 'Aina, and forty-three individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs and one individual.

Your Committee finds that the Department of Public Safety operates seven correctional facilities in the State. These correctional facilities have not been significantly expanded since 1987, when the Halawa Medium Security Facility was opened. All seven of these facilities are in need of modernization or expansion to meet the State's correctional needs. Under existing law, the Governor may enter into and execute contracts with a private entity to construct correctional facilities to be leased or purchased for the benefit of the State. A public-private partnership agreement for the construction of new statewide correctional facilities that may include reentry centers, reporting centers, treatment centers, and halfway homes, to be owned and operated by the State and its counties, will assist the State in meeting the challenges of providing adequate inmate housing, services, and programs.

Your Committee has amended this measure by:

- (1) Amending the title to read, "URGING THE GOVERNOR TO ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP AGREEMENT FOR A NEW SYSTEM OF CORRECTIONAL FACILITIES THAT MAY INCLUDE REENTRY CENTERS, REPORTING CENTERS, TREATMENT CENTERS, PRISONS, JAILS, AND HALFWAY HOMES, TO BE OWNED AND OPERATED BY THE STATE AND ITS COUNTIES";
- (2) Inserting additional language regarding the State's mainland prisoners, existing correctional facilities, prison population, and potential federal intervention to further explain the State's need for a new system of correctional facilities;
- (3) Inserting additional language that the Department of Public Safety has not provided a concrete plan to rebuild the prisons and jails in response to the burgeoning prison system crisis;
- (4) Inserting additional language that no later than July 1, 2018, the Governor is urged to achieve the goal of bringing home all of the State's prisoners that are incarcerated on the mainland;
- (5) Inserting additional language that the public-private partnership be in accordance with the Justice Reinvestment Act and that a minimum of seventy percent of the repayment costs for the new system of correctional facilities be paid for through cost savings and efficiencies;
- (6) Inserting additional language regarding the public-private partnership's duties and proposals;
- (7) Inserting additional language that no later than May 31, 2014, the relevant state departments put out a request for proposals to the prison building industry;
- (8) Inserting additional language that no later than December 31, 2014, the State select a private partner to accomplish the goal of providing Hawaii with a new system of correctional facilities; and
- (9) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 63, 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. 63, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Green, Slom). Noes, none. Excused, 1 (Galuteria).

**SCRep. 3134 (Joint) Energy and Environment and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 74**

The purpose and intent of this measure is to request an examination of the advance disposal fee program by the Department of Health and an audit of the advance disposal fee program and the environmental management special fund by the Auditor.

Your Committees received testimony in support of this measure from the Hawaii Liquor Wholesalers Association, Wine Institute, and two individuals. Your Committees received comments on this measure from the Department of Health.

Your Committees find that the cost of recycling non-deposit glass containers exceeds the revenue that the State collects through the 1.5 cent fee imposed on each of these glass containers through the Department of Health's advance disposal fee program. The advance disposal fee is deposited into the environmental management special fund, and the counties receive approximately ninety percent of the revenue deposited into the fund and establish the amount that they pay glass recyclers for accepting recyclable glass from the counties. The counties report that they commonly exhaust the advance disposal fee revenue before the end of each fiscal year. The high cost of shipping and the relatively low revenue from scrap glass are major causes of the advance disposal fee program's deficit. Requiring that the advance disposal fee cover the entire cost of shipping scrap glass to recyclers would cause consumers to pay for shipping glass containers both to and from the State.

Your Committees further find that before requiring consumers to pay a higher disposal fee, the existing recycling program, including the use of state funds by the counties, should be examined to determine whether the advance disposal fee program is the most cost-effective way to handle recyclable glass, and how costs may be reduced.

Your Committees have amended this measure by:

- (1) Requesting the Department of Health to convene a task force or working group to examine local alternatives to shipping glass out of State, determine the feasibility and costs of such local alternatives compared to shipping the glass out of State, and recommend any changes to the advance disposal fee, rather than having the Department meet with the respective counties and other stakeholders to examine the advance disposal fee program;
- (2) Clarifying the request to the Auditor to conduct an audit of the advance disposal fee program;
- (3) Deleting language that references the environmental management special fund;
- (4) Inserting language to request that the Department of Health include certain representatives in the task force or working group;
- (5) Inserting language to request the Department of Health to submit the findings and recommendations of the task force or working group to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015;
- (6) Deleting language that requested the Auditor to include in the audit of the advance disposal fee program an examination of local alternatives to shipping glass containers out of the State for recycling, the use of glass as landfill cover or in roadway asphalt, and whether these programs would be environmentally and economically prudent alternatives;
- (7) Deleting language that requested the Auditor to confer with affected businesses in preparing the audit;
- (8) Amending the title of the measure to read, "REQUESTING THE DEPARTMENT OF HEALTH TO CONVENE A TASK FORCE OR WORKING GROUP TO EXAMINE LOCAL ALTERNATIVES TO SHIPPING GLASS OUT OF STATE, DETERMINE THE FEASIBILITY AND COSTS OF SUCH LOCAL ALTERNATIVES COMPARED TO SHIPPING THE GLASS OUT OF STATE, AND RECOMMEND ANY CHANGES TO THE ADVANCE DISPOSAL FEE AND REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF THE ADVANCE DISPOSAL FEE PROGRAM"; and
- (9) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Public Safety, Intergovernmental and Military 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 that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 74, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 3135 Water and Land on S.C.R. No. 56**

The purpose and intent of this measure is to authorize the issuance of a lease covering a portion of state submerged lands at Piers 24 to 26 in Honolulu Harbor, Oahu, for Pacific Shipyards International.

Your Committee received testimony in support of this measure from Pacific Marine, Navatek Ltd., and numerous individuals. Your Committee received comments on this measure from the Department of Transportation and one individual.

Your Committee finds that Pacific Shipyards International, which operates the only commercial ship repair facility in Honolulu Harbor, is being relocated by the State from Pier 41 to Piers 24 to 26. Submerged lands for property bound by Piers 24 to 26 are contemplated to be used for shipyard drydock operations and vessels under repair as part of the lease agreement.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 56 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Ruderman, Taniguchi).

**SCRep. 3136 Health on Gov. Msg. Nos. 606, 607, 608, 609, 610, 611, and 612**

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

- G.M. No. 606 PETER FRITZ, for a term to expire 6-30-2017;
- G.M. No. 607 LUCY MILLER, for a term to expire 6-30-2018;
- G.M. No. 608 BARBARA FISCHLOWITZ-LEONG, for a term to expire 6-30-2017;
- G.M. No. 609 LYNN MURAKAMI-AKATSUKA, for a term to expire 6-30-2018;
- G.M. No. 610 GLENN NAKAMURA, for a term to expire 6-30-2018;
- G.M. No. 611 MICHAEL OKAMOTO, for a term to expire 6-30-2018; and
- G.M. No. 612 ANTHONY RIECKE-GONZALES, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Peter Fritz, Lucy Miller, Barbara Fischlowitz-Leong, Lynn Murakami-Akatsuka, Glenn Nakamura, Michael Okamoto, and Anthony Riecke-Gonzales to possess the requisite qualifications to be nominated to the Disability and Communication Access Board.

PETER FRITZ

Your Committee received testimony in support of the nomination of Peter Fritz from the Disability and Communication Access Board; D'Amato and Maloney, LLC; and two individuals.

Mr. Fritz attended the Master of Laws program in taxation at the University of Miami and received a Juris Doctorate degree from New York Law School. Mr. Fritz also received a Bachelor of Science degree from Willamette University.

Mr. Fritz serves as counsel for the Assistive Technology Resource Centers of Hawaii. Additionally, Mr. Fritz has served one term on the Disability and Communication Access Board and currently serves as the Chair. According to his statement, Mr. Fritz shares the Board's mission of ensuring that people with disabilities are valued equally and participate fully in the community.

Your Committee finds that Mr. Fritz has been instrumental in raising awareness relating to open and equal access in government, including access to the Internet and digital formats. Your Committee further finds that Mr. Fritz's professional experience practicing as an attorney for over thirty years, as well as his lifelong commitment to advocating for persons with disabilities, will continue to be great assets to the Board.

LUCY MILLER

Your Committee received testimony in support of the nomination of Lucy Miller from the Disability and Communication Access Board.

Dr. Miller received a Doctor of Philosophy degree in Educational Psychology from Brigham Young University, a Master of Arts degree in Special Education Administration from California State University, Northridge, and a Bachelor of Arts degree in Political Science from the University of California, Berkeley. Dr. Miller is licensed in Marriage and Family Therapy in Hawaii and California.

Dr. Miller is an active family therapist on Kauai. She has served in many capacities on the Disability and Communication Access Board, including serving as the immediate past Vice Chair, as well as representing the deaf and hard of hearing community. Your Committee finds that Dr. Miller's background, experience, and commitment to serving individuals with disabilities qualify her for reappointment to the Disability and Communication Access Board.

BARBARA FISCHLOWITZ-LEONG

Your Committee received testimony in support of the nomination of Barbara Fischlowitz-Leong from the Disability and Communication Access Board.

Ms. Fischlowitz-Leong received a Master of Arts degree in Education from George Washington University and Bachelor of Arts degrees in English and Sociology from Elmhurst College. She also studied in the doctoral program in Education at the University of Hawaii at Manoa.

Ms. Fischlowitz-Leong currently serves as the Executive Director and Chief Executive Officer of Assistive Technology Resource Centers of Hawaii. Ms. Fischlowitz-Leong has served in many capacities on the Disability and Communication Access Board and currently serves as the Legislative Chairperson. She also served as Chair of the Board for two years, as well as serving as a member on the Executive Committee.

Your Committee finds that Ms. Fischlowitz-Leong is familiar with the full array of technological advancements that can assist individuals with disabilities to be more independent in the community. She is very involved as a strong community advocate for equal access for individuals with disabilities and supports the changing use of technology to provide access in areas such as adaptive computers, web access, reading, and daily living activities.

Your Committee finds that Ms. Fischlowitz-Leong's background, commitment to serving the community, and proven experience qualify her for reappointment to the Disability and Communication Access Board.

#### LYNN MURAKAMI-AKATSUKA

Your Committee received testimony in support of the nomination of Lynn Murakami-Akatsuka from the Disability and Communication Access Board, Community Children's Council of Hawaii, and one individual.

Ms. Murakami-Akatsuka received a Master of Public Health degree in Community Health Education and a Bachelor of Science degree in Human Development from the University of Hawaii at Manoa. She also completed graduate work in Public Health Education at the University of North Carolina at Chapel Hill.

Ms. Murakami-Akatsuka currently serves as a Planner V for the Hansen's Disease Branch of the Department of Health's Communicable Disease Division. Prior to this position, Ms. Murakami-Akatsuka served as a Planner V for the Department of Health's Developmental Disabilities Division. Ms. Murakami-Akatsuka's important roles in the Department of Health have given her a broad perspective on policy issues.

Your Committee finds that Ms. Murakami-Akatsuka has consistently supported the rights of students with disabilities and their families to a free, appropriate education and strongly advocates for policies that promote the inclusion of families of individuals with disabilities. Upon review of the testimony, your Committee finds that Ms. Murakami-Akatsuka's background, experience, and commitment qualify her for reappointment to the Disability and Communication Access Board.

#### GLENN NAKAMURA

Your Committee received testimony in support of the nomination of Glenn Nakamura from the Disability and Communication Access Board.

Mr. Nakamura attended Leeward Community College. He also received training at the California College of Dental Technicians. Mr. Nakamura served as the Hawaii Operations Manager for Grocery Outlet, Inc., and retired in 2004 following a diagnosis of muscular dystrophy.

Mr. Nakamura has been extremely active on the Disability and Communication Access Board's Standing Committee on Parking. As a person with a disability and user of accessible parking spaces, he is a strong advocate for enforcement and appropriate stall design.

According to Mr. Nakamura's statement, he is eager to work with the Disability and Communication Access Board to facilitate the State's efforts to comply with the Americans with Disabilities Act and civil rights laws. With over twenty years of management experience, as well as personal experience with relevant issues, your Committee finds that Mr. Nakamura is qualified for reappointment to the Disability and Communication Access Board.

#### MICHAEL OKAMOTO

Your Committee received testimony in support of the nomination of Michael Okamoto from the Disability and Communication Access Board.

Mr. Okamoto received a Bachelor of Architecture degree from the University of Hawaii at Manoa. He currently serves as a Principal at Next Design, LLC.

Your Committee finds that Mr. Okamoto is a licensed architect with a strong knowledge base of the Americans with Disabilities Act Accessibility Guidelines and Federal Fair Housing Accessibility Guidelines. According to Mr. Okamoto, accessibility has always been an integral part to all of his design projects.

Mr. Okamoto currently serves as Vice Chair of the Disability and Communication Access Board. With over twenty-one years of experience in architecture and planning, your Committee finds that Mr. Okamoto's background, commitment to serving his community, and proven experience qualify him for reappointment to the Disability and Communication Access Board.

#### ANTHONY RIECKE-GONZALES

Your Committee received testimony in support of the nomination of Anthony Riecke-Gonzales from the Disability and Communication Access Board.

Mr. Riecke-Gonzales attended the College of San Mateo and the University of Hawaii at Manoa. He holds a Bachelor of Architecture.

Your Committee finds that Mr. Riecke-Gonzales has been a very active member of the Disability and Communication Access Board in the dual capacity of a licensed architect and the only representative from the County of Maui. As a licensed professional architect, Mr. Riecke-Gonzales has been working in Hawaii for over twenty-five years on residential and commercial projects, from conceptual design through construction.

According to testimony, Mr. Riecke-Gonzales has brought a fresh perspective to the Disability and Communication Access Board, with real world insight into the design and construction process for state and county buildings, facilities, and sites. Your Committee therefore recommends that Mr. Riecke-Gonzales be reappointed to the Disability and Communication Access Board based on his experience, dedication, and commitment to providing access for individuals with disabilities.

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, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3137 Hawaiian Affairs on Gov. Msg. No. 512**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 512 DOREEN GOMES, for a term to expire 6-30-2015

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Doreen Gomes to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Hawaiian Homes Commission.

Your Committee received testimony in support of the nomination of Doreen Gomes from the Department of Hawaiian Home Lands, Waimanalo Hawaiian Homes Association, and thirty-five individuals.

Ms. Gomes received her Associate's degree in General Studies from the University of Phoenix. Among other businesses, she has worked for the Hawaiian Telephone Company, Hawaiian Telcom, and Kula Hospital. She is currently a Building Permits Router for Palekana Permitting and Planning.

Ms. Gomes has been serving on the Hawaiian Homes Commission since December as an interim appointee. She is a Hawaiian homelands lessee in Maui and has a wealth of experience in community leadership, project management, non-profit organizations, and small businesses. Ms. Gomes is President-Elect of the Maui Native Hawaiian Chamber of Commerce, a non-profit organization whose mission is to promote and sustain Hawaiian values and culture and enhance the socio-economic status of Native Hawaiians. Previously, she served on the Waiohuli Hawaiian Homesteaders Association Board, Boys & Girls Club of Maui Board, Maui County Police Commission, and Maui County Fire and Public Safety Commission. Ms. Gomes is highly respected in her community and known for her integrity, loyalty, and dedication to her community. Ms. Gomes has a keen knowledge of the concerns, challenges, and opportunities faced by homesteaders and will be an asset to the Hawaiian Homes Commission.

As affirmed by the record of votes of the members of your Committee on 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, 1 (Kidani).

**SCRep. 3138 Hawaiian Affairs on Gov. Msg. No. 526**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 526 THOMAS SHIRAI, JR., for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Thomas Shirai, Jr., to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council, Island of Oahu.

Your Committee received testimony in support of the nomination of Thomas Shirai, Jr., from the Office of Hawaiian Affairs, Aukahi, and two individuals.

Mr. Shirai served in the United States Coast Guard from 1981 to 1990. For his service, he received the United States Coast Guard Medal, Commendation Medal, and Commandant's Letter of Commendation. Mr. Shirai is an active member of his community and currently serves on the North Shore Neighborhood Board 27 and as a Cultural Advisor for the Mokule'ia Community Association. He currently serves on the Ka'ena Point Advisory Group as a Cultural Delegate and previously served on the Office of Hawaiian Affairs' Native Hawaiian Historic Preservation Council; and the Island Burial Council, Island of Oahu. He is a staunch advocate for the protection of iwi kupuna and will be a valuable asset to the Island Burial Council, Island of Oahu, as the Waialua regional representative.

As affirmed by the record of votes of the members of your Committee on 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, 1 (Kidani).

**SCRep. 3139 (Joint) Water and Land and Hawaiian Affairs on H.B. No. 1618**

The purpose and intent of this measure is to require at least one member of the Board of Land and Natural Resources, other than the member with a background in conservation and natural resources, to have demonstrated expertise in native Hawaiian traditional and customary practices.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and seven individuals.

Your Committees find that the Department of Land and Natural Resources is obligated under the Hawaii State Constitution to preserve and protect the exercise of traditional and customary native Hawaiian rights. Therefore, it would be of great value to have a member on the Board of Land and Natural Resources to have expertise in this area to provide guidance on natural resource protection and management decisions.

Your Committees have amended this measure by clarifying that the requirement for the one member to have demonstrated expertise in native Hawaiian traditional and customary practices is to ensure assistance to the Board of Land and Natural Resources to better administer the public lands and resources with respect to native Hawaiian issues and concerns, the public land trust obligations, and the recognition of native Hawaiian cultural values that are intrinsically tied to the 'aina.

As affirmed by the records of votes of the members of your Committees on Water and Land and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1618, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1618, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 8. Noes, none. Excused, 1 (Taniguchi).

Hawaiian Affairs

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

**SCRep. 3140 Ways and Means on H.B. No. 1700**

The purpose and intent of this measure is to adjust appropriations for the operating and capital budgets of executive branch agencies and programs.

Your Committee received testimony in support of this measure from the Office of the Governor; Office of the Lieutenant Governor; Department of Education; Department of Accounting and General Services; Department of Defense; Department of Taxation; Department of the Attorney General; Department of Commerce and Consumer Affairs; Department of Human Resources Development; University of Hawaii - Government Relations Office; Department of Transportation; Healthcare Transformation - Office of the Governor; State of Hawaii Deferred Compensation Plan Board; Hawaii State Commission on the Status of Women; Hawaii Housing Finance and Development Corporation; Office of Youth Services; Agribusiness Development Corporation; Hawaii Early Intervention Coordinating Council State of Hawaii; Land Agent - Department of Hawaiian Home Lands; Hawaii Tourism Authority; Office of Early Learning - Office of the Governor; Hawaii Public Housing Authority; Crime Victim Compensation Commission; State Public Charter School Commission; County of Kauai Office of the Prosecuting Attorney; County of Hawaii Office of the Mayor; County of Hawaii Office of the Prosecuting Attorney; the Hawaii County Councilmembers for Districts 3 and 9; County of Maui Office of the Mayor; County of Maui Department of Water Supply; City and County of Honolulu Department of the Prosecuting Attorney; Partners in Care; Hawaii Medical Association; A&B Properties Inc.; American Congress of Obstetricians and Gynecologists; The Trust for Public Land; Catholic Charities Hawaii; Hilo Medical Center Foundation; Blue Startups; PICHTR Energy Excelerator; Makai Ocean Engineering Inc.; CyberCom Inc.; Tapiki LLC; Hawaii Fish Company; Hawaii Fashion Incubator; Hawaii Consortium for Medicine and Health; Cardax Inc.; Hyperspective Studios Inc.; Kainalu Ranch; Mana'e Moku; Legal Aid Society of Hawaii; PV Tech; Terasys Technologies; Princeville Utilities Company Inc.; Tissue Genesis; Hawaii Educational Policy Center; Mauna Kea Infrared LLC; Cyanotech; Keahole Point Association; Global Optima Inc.; Hilo Medical Center; Terasys, HI Growth; University of Hawaii Professional Assembly; Leeward Housing Coalition; Japanese Chamber of Commerce and Industry; Oceanit; Hawaii Island Healthcare Alliance; Referentia Systems Incorporated; Financial Planning Hawaii; The Nature Conservancy of Hawaii; Enerdigm Ventures; Hilo Medical Center; Hawaii Island Family Medicine Residency; Hawaii Health Systems; Hilo Medical Center Medical Staff; Spectrum Photonics Inc.; Laborers' International Union of North America Local 368; Ikayzo Inc.; Dragontree Studios; Entrepreneurs Foundation of Hawaii; The Sex Abuse Treatment Center; Pas de Chocolat LLC; Renewable Ocean Energy Inc.; Oahu Army Natural Resources Program - US Army Garrison Hawaii; Ten Tomorrow; Hawaiian Cool Water LLC; 3D Innovations; Allison Izu LLC; The Cut Collective; LiveAction; Hawaii TechWorks; Labels That Talk Ltd.; Technical Research Associates Inc.; Nalukai; Hawaii Operating Engineers Industry Stabilization Fund; Island Film Group; Dev League LLC; Sudokrew LLC; Hawaii Game Management Advisory Commission; National Wild Turkey Federation; Hui for Excellence in Education; TerraSystems Inc.; SEE-RESCUE Corporation; Startup Weekend Honolulu; Slickage Studios LLC; Hawaii Green Growth; Honolulu Makerfaire; Haleakala Ranch; Ka'ono'ulu Ranch; Hawaii TechWorks; Puna Community Medical Center; Bishop Museum; Child and Family Service; YWCA of Kauai; YWCA of Hawaii Island; Ho'ola Lahui Hawai'i; High Technology Development Corporation; Hawaii Food Manufacturers Association; isisHawaii; OrienTech; Kamehameha Schools; PHOCUSED; Hawaii Association for the Education of Youth Children; Hilo Medical Center Foundation; Saturation Point; Ho'okako'o Corporation; The Chamber of Commerce Hawaii; and fifty-one individuals.

Your Committee received testimony in opposition to this measure from Aloha State Association of the Deaf and nineteen individuals.

Your Committee received comments on this measure from the Department of Budget and Finance; Department of Public Safety; Department of Business, Economic Development, and Tourism; Department of Agriculture; Department of Land and Natural Resources; Department of Hawaiian Home Lands; Department of Human Services; Department of Health; Hawaii Strategic Development Corporation; State of Hawaii Office of Planning; Executive Office on Early Learning; Public Utilities Commission; Office of Community Services; State Council on Developmental Disabilities; Hawaii Strategic Development Corporation - HI Growth Initiative; Executive Office on Aging; State Foundation on Culture and the Arts; Domestic Violence Action Center; and seventy-seven individuals.

**PART I. OVERVIEW**



Your Committee has approved a Senate Draft of the executive supplemental budget bill that reduces the operating budget request submitted by the Administration. The Senate Draft appropriates \$105,714,792 in all funds, inclusive of \$41,427,003 in general funds, for fiscal year 2014-2015. The Senate Draft also reduces the appropriation for fiscal year 2013-2014 of all funds by \$92,507,527, the bulk of which is composed of general funds. In addition, the Senate Draft amends an Administration-proposed proviso to lapse, instead of transfer, \$7,000,000 in general funds that are no longer needed for certificate of participation payments (see item 22 in section 4 of the Senate Draft, which adds a section 38.1 to Act 134, Session Laws of Hawaii 2013). The following table displays the results of your Committee’s actions.

	Fiscal Year 2013-14		Fiscal year 2014-15	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Supplemental Request (Including Governor’s Messages)	(53,414,636)	(53,417,636)	273,612,110	200,154,616
Senate Draft Appropriation Adjustment	(39,092,891)	(38,814,391)	(167,897,318)	(158,727,613)
Unneeded COPS Reserve Lapse (See Section 38.1)	(7,000,000)	(7,000,000)	0	0
Net Change	(99,507,527)	(99,232,027)	105,714,792	41,427,003

Your Committee emphasizes that the total general fund reduction to the supplemental budget request in fiscal years 2013-2014 and 2014-2015 exceeds \$200 million.

In the interest of full disclosure, however, your Committee notes that a portion of the \$158.7 million general fund reduction in fiscal year 2014-2015 is taken from programs that the Senate intends to fund through separate bills. A reduction has been made of \$33.5 million to the University of Hawaii for employment costs because the Senate has passed S.B. No. 2816, S.D. 1, which appropriates to the University of Hawaii the same amount for the same purpose. Reductions also have been made of supplemental requests for the Hawaii Invasive Species Council, Kupuna Care, and other senior citizens programs. The Senate has passed joint majority package bills appropriating funds for those programs (see S.B. No. 2343, S.D. 1, and S.B. No. 2346, S.D. 1, H.D. 1).

The net change of the Senate Draft results in an executive budget for fiscal biennium 2013-2015 of the following:

	Fiscal Year 2013-14		Fiscal year 2014-15	
	All Funds	Gen. Funds	All Funds	Gen. Funds
2013 Exec. Budget Act 134	11,819,318,188	6,036,556,466	11,988,000,674	6,123,494,985
Net Change Of Senate Draft	(92,507,527)	(92,232,027)	105,714,792	41,427,003
Total Appropriation	11,726,810,661	5,944,324,439	12,093,715,466	6,164,921,988

As shown in the table above, your Committee has approved an austere supplemental budget. In addition to reducing the Administration’s request for fiscal year 2014-2015, your Committee has reduced general fund appropriations for the current fiscal year 2013-2014 that are not expected to be expended by the lapse date of June 30, 2014. Your Committee has chosen to take this affirmative action to make the savings available for legislative disposition during this Regular Session. If the appropriations were simply allowed to lapse on June 30, 2014, the Legislature would not have the opportunity to place the savings in the carryover balance or a reserve fund or, if deemed necessary, to appropriate the funds in separate bills for high priority programs.

Your Committee also has changed the means of financing for \$287.1 million proposed in the supplemental budget for capital improvement projects from general funds to general obligation bond funds.

**PART II. GENERAL FUND REVENUES**

Your Committee began preparation for an austere supplemental budget long before the convening of the Regular Session of 2014.

From monitoring actual monthly tax collections, your Committee became concerned about a potential shortfall in general fund revenues in fiscal year 2013-2014. Actual general fund tax revenue collections from July to November 2013 were 0.6 per cent less than collections during the same period in the previous fiscal year. Part of the difference was attributable to the diversion of \$55 million of general excise tax revenues to replenish the hurricane reserve trust fund and the timing of transmitting the 0.5 per cent general excise tax surcharge for the rail project to the City and County of Honolulu. Nevertheless, the -0.6 per cent growth was particularly disconcerting when compared against the Council on Revenues’ September 5, 2013, projected general fund tax revenue growth of +4.1 per cent for fiscal year 2013-2014. Each percentage point equated to approximately \$50 million. Logically, the conclusion was that tax revenues would have had to accelerate substantially to meet the Council on Revenues’ then projected +4.1 per cent growth rate for fiscal year 2013-2014.

On January 7, 2014, the Council on Revenues met as required by law. At that meeting, the Council revised its projection of general fund tax revenue growth for fiscal year 2013-2014 from +4.1 per cent to +3.3 per cent. This reduced growth rate resulted in \$43.6

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million less in general fund tax revenues in fiscal year 2013-2014 and, due to compounding, \$49.7 million less in fiscal year 2014-2015. Coincidentally, at the same meeting, the Department of Budget and Finance reported that its estimate of general fund non-tax revenues would increase by \$46.1 million in fiscal year 2013 and \$34.6 million in fiscal year 2014-2015. This estimated non-tax revenue increase offset most of the projected tax revenue decrease. Indeed, the timing of the non-tax revenue change was fortuitous for maintaining the viability of the Administration's financial plan.

Approximately one week later, the Department of Taxation issued its preliminary statement on general fund tax revenue collections in December 2013. The department indicated that collections from July to December 2013 were 0.7 per cent less than the collections during the comparable period in the previous fiscal year.

More alarmingly, general excise and use tax collections were 2.6 per cent less than collections during the comparable period in the previous fiscal year. This lag of general excise tax revenue growth prompted the Administration to express, in the 2013 State Comprehensive Annual Financial Report (at p. 29), that:

Cumulative general fund tax revenues for the first six months of fiscal year 2014 were \$2.6 billion, a decrease of \$18.6 million from the same period last fiscal year. General excise and use tax collections, which are the largest source of revenue and a good measure of economic growth, decreased 2.6% (underscoring added).

For the next month, January 2014, the Department of Taxation's report did not show improvement. General fund tax revenues from July 2013 to January 2014 were 1.1 per cent less than revenues during the comparable period in the previous fiscal year. Moreover, general excise and use tax collections were 2.3 per cent less. Your Committee had hoped that the holiday season would have reversed and then increased the trajectory of revenue growth. That, however, did not occur.

With this fiscal backdrop, the Council on Revenues again met on March 11, 2014. As expected, the Council further reduced the projected general fund tax revenue growth rate for fiscal year 2013-2014. The magnitude of the reduction was great, from 3.3 per cent to 0.0 per cent for fiscal year 2013-2014, from 7.4 per cent to 5.5 per cent for fiscal year 2014-2015, and from 7.7 per cent to 5.0 per cent for fiscal year 2015-2016. At the same meeting, the Department of Budget and Finance reported a slight decline of its general fund non-tax revenues estimate.

Obviously, the Council on Revenues' reduced projections resulted in a major decrease of general fund revenues expected in this and the next fiscal biennium. The following table displays the differences between the Council on Revenues' projections of March 11, 2014 and January 7, 2014, and the cumulative impact.

COUNCIL ON REVENUES -- TAX REVENUES (03/11/14)							
	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
COR 03/11/14	9.9% 5,466.9	0.0% 5,466.9	5.5% 5,767.6	5.0% 6,056.0	5.8% 6,407.2	6.2% 6,804.5	5.4% 7,171.9
COR 01/07/14	9.9% 5,466.9	3.3% 5,647.3	7.4% 6,065.2	7.7% 6,532.3	5.7% 6,904.6	6.1% 7,325.8	5.5% 7,728.7
DIFFERENCE	0.0	(180.4)	(297.6)	(476.3)	(497.4)	(521.3)	(556.8)
DEPARTMENT OF BUDGET & FINANCE -- NON-TAX REVENUES							
COR 03/11/14	766.1	666.6	592.4	587.6	602.1	604.8	612.7
COR 01/07/14	766.1	675.7	597.1	596.2	607.4	613.4	620.5
DIFFERENCE	0.0	(9.1)	(4.7)	(8.6)	(5.3)	(8.6)	(7.8)
TOTAL TAX & NON-TAX REVENUES							
COR 03/11/14	6,233.0	6,133.5	6,360.0	6,643.6	7,009.3	7,409.3	7,784.6
COR 01/07/14	6,233.0	6,323.0	6,662.3	7,128.5	7,512.0	7,939.2	8,349.2
DIFFERENCE	0.0	(189.5)	(302.3)	(484.9)	(502.7)	(529.9)	(564.6)
CUMULATIVE IMPACT							
FY 2013-14	NA	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)
FY 2014-15	NA	NA	(302.3)	(302.3)	(302.3)	(302.3)	(302.3)
FY 2015-16	NA	NA	NA	(484.9)	(484.9)	(484.9)	(484.9)
FY 2016-17	NA	NA	NA	NA	(502.7)	(502.7)	(502.7)
FY 2017-18	NA	NA	NA	NA	NA	(529.9)	(529.9)
FY 2018-19	NA	NA	NA	NA	NA	NA	(564.6)
TOTAL	NA	(189.5)	(491.8)	(976.7)	(1,479.4)	(2,009.3)	(2,573.9)

When compared against the Council on Revenues' January 7, 2014, projection, the table indicates that general fund revenues now available for the state budgets are \$189.5 million less in fiscal year 2013-2014 and \$491.8 million less in fiscal year 2014-2015.

Thus, your Committee has developed this Senate Draft of the executive supplemental budget with an extra measure of its usual prudence, sense of responsibility, good judgment, and willingness to make difficult decisions among many competing demands.

Despite the cutbacks from the Administration's original supplemental budget request, your Committee is confident that this Senate Draft funds most of the higher priorities of the executive departments and, more importantly, the priorities of the Senate.

**PART III. ECONOMY**

Your Committee does not believe that the decrease of projected general fund tax revenues represents an economy in jeopardy. Your Committee agrees with both the Department of Business, Economic Development, and Tourism (DBEDT) and University of Hawaii Economic Research Organization (UHERO) that, in general, the economy will continue to grow, but at a slower pace.

DBEDT, in its Quarterly Statistical & Economic Report, 1<sup>st</sup> Quarter 2014, Executive Summary (at page 5), states:

Hawaii's economy is expected to continue positive growth at above 2.0 percent level between 2014 and 2017. Overall, the current DBEDT forecast is slightly less optimistic compared with the previous forecast.

UHERO, in its UHERO State Forecast Update, Public Summary, dated February 28, 2014, (at page 5), states:

Our projections for 2014 growth have been marked down somewhat since our last forecast -- by about half a percent for both jobs and income. Still overall economic performance this year will be better than a disappointing 2013.

**PART IV. OPERATING BUDGET**Accounting and General Services

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$1,506,229 in general funds and adding \$731,357 in non-general funds. The Administration's supplemental budget request was to add \$9,974,039 in general funds and \$652,384 in non-general funds.

Your Committee approves one position and \$87,071 in general funds for school repair and maintenance on the neighbor islands. The position will be stationed in West Hawaii to manage and maintain service level agreement performance requirements. Remaining funds will provide for two existing positions for plumbing work orders and to reduce the backlog of repairs and projects at school facilities.

Your Committee also approves \$366,846 in general funds for utilities to cover projected shortfalls at the Hawaii and Maui Central Services District Offices. Recurring increases in electricity, sewer, and water rates have caused the cost of utilities to outpace custodial budgets. This appropriation provides the necessary funding to meet escalating utility costs and prevent operational deficiencies that could impact the health and safety of the public and staff.

Your Committee also approves \$1,000,000 in general funds to replace existing Windows XP personal computers and migrate from XP to newer operating systems statewide. Because Microsoft will no longer support the Windows XP operating system, these systems are more vulnerable to viruses, malicious attacks, and electronic data losses with limited means for data recovery. The procurement of Windows 7/Windows 8 enterprise licenses will create operational efficiencies and ensure continued support for security patches, technical assistance, and software and content updates from the manufacturer.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Adding \$378,973 in special funds and \$1,000 in general funds for salaries in Information Management and Technology Services (AGS130/EG);
- (2) Adding \$200,000 in federal funds for Statewide Voter Registration System (AGS879/OA); and
- (3) Adding one position and \$92,400 in special funds for State Archives Preservation (AGS111/DA).

Agriculture

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$188,269 in general funds and \$1,431,671 in non-general funds. The Administration's supplemental budget request was to add \$4,163,080 in general funds and \$1,219,940 in non-general funds.

Your Committee also approves eight positions and \$188,269 in general funds to address concerns on pesticide use. Five positions will conduct pesticide inspections and maintain pesticide surveillance activities. Two positions will provide pesticide education services to help communities understand the requirements of pesticides regulations. One position will assist in the preparation of enforcement actions to ensure compliance with laws governing the use of pesticides. To further supplement the pesticide regulatory capability, your Committee approves \$400,000 in revolving funds for operating and maintenance costs in the Pesticides Branch.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Adding \$410,000 in interdepartmental transfer funds for positions formerly paid with Department of Transportation special funds in Animal Disease Control (AGR132/DC);
- (2) Adding \$265,000 in revolving funds for vehicles and equipment for Molokai Irrigation System in Agricultural Resource Management (AGR141/HA); and
- (3) Adding \$420,000 in revolving funds for payroll shortfall and expenditures for new land, infrastructure, and facilities in Agribusiness Development and Research (AGR161/KA).

Attorney General

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$1,544,387 in general funds and \$1,391,196 in non-general funds. The Administration's supplemental budget request was to add \$5,330,019 in general funds and \$2,126,113 in non-general funds.

Your Committee approves five positions and \$648,713 in interdepartmental transfer funds to establish deputy attorney general positions for various state departments. The deputy attorneys generals will serve the Department of Education, the Office of

Information Management Technology, the Department of Hawaiian Home Lands, the Department of Public Safety, and other departments charged with implementing the federal Patient Protection and Affordable Care Act.

Your Committee also approves \$500,000 in general funds for the litigation fund for special deputies and expert witnesses. This fund will be used to acquire services to represent the State in significant cases including, the State of Hawaii v. Matson, Kalima v. State of Hawaii, and James Dannenberg et al. v. State of Hawaii.

Your Committee also approves \$357,000 in general funds for the creation of a Major Litigation Division to manage cases with substantial cost and exposure. This unit will handle litigation that requires close attention under direct supervision from the Attorney General. The cases handled by this unit may involve policy areas that are complex, confidential, sensitive, or of an emergency nature.

Your Committee also approves one position and \$31,568 in general funds for the Internet Crimes Against Children (ICAC) Task Force. The ICAC Task Force investigates crimes that target children online and promotes public awareness of the dangers of cyber-predators.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Adding \$800,000 in other federal funds for anticipated federal awards in State Criminal Justice Information and Identification (ATG231/BC);
- (2) Adding \$200,000 in general funds for the Automated Fingerprint Identification System upgrades and lease financing in State Criminal Justice Information and Identification;
- (3) Adding two positions and \$108,212 in interdepartmental transfer funds for legal representation of the Department of Public Safety (ATG100); and
- (4) Adding one position and \$100,000 in general funds for technology upgrades (ATG100/AA).

#### Budget and Finance

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$64,617,636 in general funds and, for fiscal year 2014-2015, reducing its general fund appropriation by \$31,419,389 and adding \$1,082,968 in non-general funds. The Administration's supplemental budget request reduced the department's general fund appropriation for fiscal year 2013-2014 by \$53,417,636 and adjusted the fiscal year 2014-2015 appropriation by reducing its general fund appropriation by \$25,586,719 and adding \$1,246,619 in non-general funds.

Your Committee approves \$15,185,356 in fiscal year 2013-2014 and \$15,292,859 in fiscal year 2014-2015 in general funds for pension accumulation and Social Security/Medicare payments. These appropriations provide for required retirement contributions for the State, Department of Education, and University of Hawaii.

Your Committee also approves \$64,806 in general funds for charter school collective bargaining supplemental agreements. The department did not provide this amount to charter schools because of an errant calculation. This amount was requested under EDN600. However, your Committee more appropriately places the appropriation under BUF101.

#### Business, Economic Development, and Tourism

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$4,135,000 in general funds and \$64,574,288 in non-general funds. The Administration's supplemental budget request was to add \$15,774,353 in general funds and \$64,574,288 in non-general funds.

Your Committee approves \$500,000 in special funds for the advancement and commercialization of new energy technologies in furtherance of clean energy goals set forth by sections 269-92 and 269-93, Hawaii Revised Statutes. The department identified the locally based Energy Excelsior start-up program as an ideal resource for the State to maximize cost effective investments in clean energy production and innovation. These funds will provide leverage with federal and private resources to deploy as investment capital for portfolio companies within the Energy Excelsior, through its parent non-profit, the Pacific International Center for High Technology Research.

Your Committee also approves \$50,000,000 in special funds from Green Energy Market Securitization (GEMS) bond proceeds for the purposes of the Hawaii Green Infrastructure Loan Program, in accordance with section 196-65, Hawaii Revised Statutes. The approval of these funds effectively increases the amount of GEMS bond proceeds available for deployment as green infrastructure loans to a total of \$150,000,000 in fiscal year 2014-2015. Maximum utilization of the proceeds as low-cost capital will expand the loan program to make green infrastructure installations accessible and affordable to more of Hawaii's underserved ratepayers, achieve measurable cost savings, and further Hawaii's clean energy goals.

Your Committee also approves \$3,500,000 in general funds as additional investment capital for the HI Growth Initiative Investment program, administered under the Hawaii Strategic Development Corporation (HSDC). The program blends state, private, and federal funding sources for investment strategies that promote entrepreneurial development, research commercialization, and the creation of Hawaii-based investment funds, effectuating high-wage job opportunities and partnerships with global investment communities.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Adding \$160,000 in general funds for the creative lab accelerator program in Creative Industries (BED105);
- (2) Adding \$475,000 in special funds for subject matter expertise for advancement of renewable energy projects in Environment and Energy Development (BED120);
- (3) Adding \$250,000 in special funds for subject matter expertise and technical services for Public Utilities Commission docket activities and stakeholder support in Environment and Energy Development (BED120);

- (4) Adding \$200,000 in special funds for subject matter expertise on performance contracting for state energy projects in Environment and Energy Development (BED120); and
- (5) Adding \$400,000 in general funds for economic studies in Economic Planning and Research (BED130).

#### Commerce and Consumer Affairs

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$3,779,634 in non-general funds. The Administration's supplemental budget request was to add \$95,045 in general funds and \$3,644,670 in non-general funds.

Your Committee approves \$700,000 in special funds for consultants to handle new and complex issues affecting renewable energy initiatives. Consultants will offer additional analysis intended to expedite and facilitate actions critical to Hawaii's utility regulatory efforts.

Your Committee also approves six positions and \$481,124 in special funds for oversight of health plans for the Hawaii Health Connector. Three positions will assist with reviewing premium rates and three positions will assist with reviewing the qualifications of health plans for the Hawaii Health Connector.

Your Committee also approves \$175,000 in special funds to migrate the department's e-mail system from a server-based Lotus Notes platform to a cloud-based Microsoft system. This switch is intended to standardize systems among all departments and agencies.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Adding two positions and \$263,796 in special funds for the Hawaii Post-Secondary Education Authorization Program (CCA107/1A);
- (2) Adding \$110,000 in trust funds to cover claims and other expenses from the mortgage loan recovery fund in the Division of Financial Institutions (CCA104/BA); and
- (3) Adding \$2,000,000 in trust funds for transfer to the Department of Labor and Industrial Relations for a capital improvement program grant awarded in 2013 to the Hawaii Public Television Foundation (CCA102/FA).

#### Defense

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$1,335,641 in general funds and \$2,477,549 in non-general funds. The Administration's supplemental budget request was to add \$1,884,484 in general funds and \$2,541,356 in non-general funds.

Your Committee approves \$629,295 in general funds and \$967,083 in federal funds for electricity in the Kalaeloa area to cover a projected shortfall. The funds will alleviate increasing electricity costs at Hawaii Army National Guard facilities. Your Committee approves \$602,346 in general funds and \$1,807,041 in federal funds for utilities and custodial services at the three new buildings on the Hawaii Air National Guard campus. Real estate and maintenance costs are anticipated to increase, including costs for grounds, refuse, custodial contract, and supplies.

Your Committee also approves two positions and \$227,200 in federal funds for the Homeland Security Office to coordinate security planning and preparedness activities with all agencies. The positions will oversee the monitoring of threats, evaluation of response exercises, and the administration of planning and preparedness grants.

Your Committee also approves \$104,000 in general funds for equipment at the Keaukaha Military Reservation Building. Since the building is scheduled for occupancy in May 2014, the furnishings will provide essential safety features and a nurturing environment for the attending cadets of the Youth Challenge Academy.

#### Education

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$35,362,656 in general funds and \$1,888,850 in non-general funds. The Administration's supplemental budget request was to add \$42,271,421 in general funds and \$1,888,850 in non-general funds.

##### *Regular Education*

Your Committee approves \$15,000,000 in general funds for the Weighted Student Formula (WSF) in School-Based Budgeting. These funds go directly to schools to provide resources for students. Your Committee reiterates its intent that all funds appropriated for the WSF be expended at the discretion of principals and that their use shall not be directed by the central office.

Your Committee also approves \$9,000,000 in general funds to account for a projected shortfall in the department's utilities budget. This funding will pay for utility shortfalls that resulted from overly optimistic energy savings assumptions for fiscal year 2014-2015 under the department's proposed Energy Efficiency and Sustainability Master Plan. Pilot installations of photovoltaic systems at a number of schools were delayed due to interconnection circuit problems that prevented Hawaiian Electric from issuing net energy metering agreements.

Your Committee also approves \$3,664,694 in general funds to provide Special Education Services to qualifying students up to age twenty-two. On August 28, 2013, the federal Ninth Circuit Court of Appeals ruled that the Individuals with Disabilities Education Act (IDEA) prohibited the State of Hawaii from limiting Special Education availability to persons age twenty and under. This funding will be used to provide a free appropriate public education for eligible students with special needs in compliance with the court ruling.

Your Committee also approves twenty-two temporary positions and \$2,000,000 in general funds to implement the Strive-Hi performance system. Strive-Hi is the foundation of Hawaii's Elementary and Secondary Education Act (ESEA) Waiver, which

replaces measurable objectives and supports of the No Child Left Behind Act (NCLB). The funds and positions appropriated will be used to form Complex Area Support Teams (CAST) that serve schools designated as Focus and Priority under the new Strive-Hi classification. Focus and Priority schools are those that struggle to meet the educational standards outlined in the State's ESEA Waiver.

Your Committee also approves \$2,000,000 in general funds for the restoration of school athletics programs. State funding for athletic programs has been significantly reduced from fiscal year 2008-2009 when \$13,337,483 was allocated for student sports. Currently, fiscal year 2014-2015 allocates \$9,193,798 for athletic programs. Because of the unique geography of Hawaii, reductions in program funding have created additional challenges for neighbor island schools as athletes must travel to compete. Funding cuts have led to smaller rosters, fewer opportunities to attend events, equipment that is worn, and a department-wide athletics staff that is reduced by forty positions. This appropriation will help restore funding to historically budgeted levels.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Adding \$600,000 in general funds for the Educator Evaluation System to survey student perception and to certify administrators in the classroom observation framework in Instructional Support (EDN200/GD);
- (2) Adding \$592,000 in general funds for the sabbatical leave program for teachers in Instructional Support (EDN200/GH); and
- (3) Adding \$579,208 in general funds for the Professional Development Management System (PDE3) annual subscription in the State Administration (EDN300/KO).

#### *Libraries*

Your Committee approves \$600,000 in general funds to support operational expenses for fiber optic connectivity at all public libraries. Through a number of Broadband Technology Opportunities Program (BTOP) Grants, the Hawaii State Public Library System has been able to complete a high speed broadband connectivity network that provides public access computing to users statewide. This appropriation will allow the Library System to purchase necessary computer equipment to complete the BTOP initiative and will fund the necessary telecommunication expenses.

Your Committee also approves \$685,000 in general funds for increased electricity costs at all Hawaii State Public Libraries. Over the last six years, rate increases have caused a shortfall in the electricity budget. While the Public Library system has managed to cover additional expenditures under its present operating budget, the costs can no longer be accommodated without negatively impacting library functions.

#### *Charter Schools*

Your Committee approves three positions, \$1,888,850 in federal funds and \$62,000 in general funds for the Public Charter Schools' federal program support staff and federal grants. Of the \$1,888,850 in federal funds received by the State Charter School Commission, \$1,379,600 will be directly transferred out to the schools. The remaining \$509,250 will be used by the Commission to provide resource teachers, fund professional development, and implement school improvement programs.

Your Committee also approves \$217,054 in general funds for per pupil funding for charter school students comparable to regular education students. This amount was calculated using general fund amounts appropriated by the Senate Draft for EDN100, EDN200, EDN300 and EDN400 for fiscal year 2014-2015 and projected student enrollment for the Department of Education and charter schools. The Charter School Commission provided your Committee with an updated projected enrollment of 10,940 students for the 2014-2015 school year. This is a decrease from the 11,350 student projection upon which the supplemental request was developed. Based on these figures, the Senate Draft of the executive supplemental budget provides an average general fund amount for each charter school and regular education student of \$6,260. This increases the average general fund amount for each student for the 2014-2015 school year from the amount of \$6,046 that was calculated during the prior Regular Session.

#### *Early Learning*

The Senate Draft approves \$5,720,208 in general funds for early learning programs under GOV100 to establish school readiness programs. Act 178, Session Laws of Hawaii 2012, repealed the junior kindergarten program and required that, beginning with the 2014-2015 school year, a child must be five years old by July 31 of the school year to attend public school kindergarten. The Department of Education estimated that this would result in approximately 5,100 late-born children being displaced from kindergarten classrooms in school year 2014-2015. This appropriation includes \$4,470,208 to allow an estimated six hundred forty children to attend pre-kindergarten classes in a statewide pilot partnership with the Department of Education. Of this appropriation, \$1,250,000 will allow an additional five hundred children to access alternative pre-school education services through contracts with family child interaction learning providers. This appropriation and an appropriation for the Preschool Open Doors program will provide early learning opportunities for approximately 2,740 children.

#### Hawaiian Home Lands

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by reducing \$146,259,466 in non-general funds. The Administration's supplemental budget request was to add \$5,387,204 in general funds and reduce \$160,976,957 in non-general funds.

Your Committee finds it prudent to wait for the outcome of pending court proceedings to determine what constitutes "sufficient sums" for the department's administrative and operating expenses. Accordingly, the Legislature has appropriated \$9,632,000 in general funds annually for the 2013-2015 fiscal biennium. As such, the findings on pages 19 and 20 in Conference Committee Report No. 105 for H.B. No. 200, H.D. 1, S.D. 1, C.D. 1 (enacted as Act 134, Session Laws of Hawaii 2013) are hereby incorporated by reference.

Your Committee notes that it has approved the reduction of \$146.2 million of the trust fund appropriation for the Department of Hawaiian Home Lands for fiscal year 2014-2015, but denied the reduction of another \$10.8 million for salaries, fringe benefits, and

other current expenses. In essence, your Committee leaves in the Senate Draft a net trust fund appropriation for fiscal year 2014-2015 of \$10.8 million for 81.00 positions and their associated current expenses. Your Committee does not intend that the \$10.8 million net trust fund appropriation be construed as a ceiling prohibiting the Department from expending trust funds above that amount for programs and projects to fulfill its duties. Your Committee finds that the Department has the authority to expend trust funds at its discretion. Your Committee does not intend to intrude into that authority, but has maintained the appropriation of trust funds for personnel in order to display legislative intent regarding the funding of the Department's personnel and other current expenses.

#### Health

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$765,959 in general funds and reducing \$1,912,412 in non-general funds. The Administration's supplemental budget request was to add \$32,549,582 in general funds and reduce \$2,439,857 in non-general funds.

Your Committee approves \$3,256,433 in general funds for the home- and community-based services waiver program administered by the department's Developmental Disabilities Division. Of this amount, \$1,183,384 will address a deficit caused by fiscal year 2011-2012 program review reductions and adjust for projected growth rates and increased service requirements mandated under the Makin Settlement Agreement. The remaining \$2,073,049 in general funds shall provide for anticipated costs that will result from the Korab, et al. v. McManaman, et al. court ruling, as interpreted by the Attorney General, which expands eligibility for waiver services to the developmentally disabled citizens of Compact of Free Association states.

Your Committee approves \$1,232,495 in general funds for Early Intervention Section purchase of services contracts. The state Early Intervention Section is a federal and state mandated program that provides services to support the development of infants and toddlers from birth to three years of age. As a result of prior year reductions-in-force, the Early Intervention Services (EIS) program increased purchase of service (POS) contract expenditures to maintain services impacted by the loss of staff. This has caused recurring deficits in the program's POS funding since fiscal year 2011-2012. The Senate Draft addresses a projected shortfall in fiscal year 2014-2015 and prevents an unlawful diminution of services that may result from insufficient funding.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Transferring thirty-nine positions, seven temporary positions, and \$2,466,158 in general funds within the Developmental Disabilities Division to implement the approved December 2011 reorganization (HTH501);
- (2) Adding \$354,504 in general funds for the State's share of intermediate care facilities in Developmental Disabilities State Match for Title XIX Programs (HTH501/CN);
- (3) Adding \$797,000 in other federal funds for upgrades to the Hawaii criminal background check system in Health Care Assurance (HTH720/MP); and
- (4) Adding \$330,000 in special funds for statewide emergency ambulance services in Emergency Medical Services (HTH730/MQ).

To support community-based programs designed to provide services for all elder persons in the State, your Committee supports appropriations through joint majority package bills, S.B. No. 2346, S.D. 1, H.D. 1/H.B. No. 1713, S.D. 1. These measures include additional funds for kupuna care services, statewide aging and disability resource centers, and the healthy aging partnership program.

#### *Hawaii Health Systems Corporation*

Your Committee approves \$4,520,000 in general funds for fiscal year 2014-2015 for the Hawaii Health Systems Corporation (HHSC). In addition to operational deficiencies and collective bargaining shortfalls, HHSC continues to experience declines in federal reimbursements for Medicaid and Medicare payments. This adjustment is intended to help mitigate the impacts of the Federal Deficit Reduction Act and budget sequestration.

#### Human Services

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$16,383,536 in general funds and \$53,251,273 in non-general funds. The Administration's supplemental budget request was to add \$42,205,825 in general funds and \$81,339,887 in non-general funds.

Your Committee approves \$1,500,000 in general funds to continue the homeless program's Housing First initiative in fiscal year 2014-2015. These funds will be used in conjunction with the Substance Abuse Mental Health Services Administration grant to allow a greater percentage of program resources to go to direct housing costs. This will provide funding for the third year of the Housing First pilot and is expected to afford transitional housing support and stability services to chronic homeless individuals throughout the State.

Your Committee approves \$5,546,076 in general funds and \$2,956,860 in federal funds to adjust monthly foster board rates to the three-tier aged-based system and funding levels cited in the United States Department of Agriculture's (USDA) report Expenditure on Children by Families. The report finds that the monthly cost of raising a child in the urban Western region averages \$576 for children 0-5; \$650 for children 6-11; and \$676 for youth 12-21 years of age. Hawaii's monthly foster care board rate is currently \$529.

Your Committee approves \$3,000,000 in general funds to accommodate the restructured co-payments under the Preschool Open Door Program and to expand the program to an additional four hundred income-eligible children. This is over and above the one thousand two hundred children contemplated by the supplemental budget request. According to the Administration's estimates, the Senate's proposed executive supplemental budget for the Preschool Open Doors program will create affordable early learning opportunities for approximately one thousand six hundred children throughout the State.

Your Committee also approves the transfer of four positions and \$9,191,840 in general funds from the Department of Health's Adult Mental Health Division to the Department of Human Services' Med Quest Division to consolidate payments and services for adults with severe and persistent mental illness (SMI) who are Medicaid eligible. The consolidation of the payment and provision of these

services under Med Quest draws an additional \$1,870,177 in federal matching funds. This will provide more resources to broaden and improve Medicaid-eligible SMI services. Further, administration under a single agency facilitates service continuity and simplifies access to service providers and case management for eligible beneficiaries.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Adding \$273,752 in general funds for utility rate increases at Kalaeloa shelters in Homeless Programs (HMS224);
- (2) Adding \$147,147 in general funds for the adult protective services best practices model in Adult and Community Care Services (HMS601);
- (3) Adding \$300,000 in general funds for the Comprehensive Services Center for the deaf, deaf-blind, and hard-of-hearing in Vocational Rehabilitation (HMS802);
- (4) Adding \$450,000 in general funds and \$3,650,000 in federal funds for the KOLEA system in General Support for Health Care Payments (HMS902);
- (5) Adding \$260,000 in general funds and \$260,000 in federal funds for an Asset Verification System for aged, blind, and disabled services in General Support for Health Care Payments (HMS902); and
- (6) Adding \$300,000 in federal funds for outreach services to families and individuals who may qualify for benefits under the Supplemental Nutrition Assistance Program (SNAP) in General Support for Self-Sufficiency Services (HMS903).

#### Labor and Industrial Relations

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$20,372 in general funds and reducing \$33,522,368 in non-general funds. The Administration's supplemental budget request was to add \$896,963 in general funds and reduce \$33,522,368 in non-general funds.

Your Committee approves two positions, \$22,065 in general funds, and \$31,341 in federal funds for the Hawaii Occupational Safety and Health program (HIOSH) to mitigate persistent staffing challenges associated with maintaining staff levels and inspection quotas of federally required benchmarks. Minimal staffing and elevated attrition rates create a constant risk for HIOSH to fall below benchmarks in the event of a vacancy. These two positions will provide the staffing and operational capacity required for HIOSH to remain in compliance with federal requirements and regain the desirable 18e status of the Occupational Safety and Health Act of 1970, to retain the program under state purview.

#### Land and Natural Resources

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$4,172,536 in general funds and \$16,447,741 in non-general funds. The Administration's supplemental budget request was to add \$13,688,226 in general funds and \$12,337,261 in non-general funds.

Your Committee approves eleven temporary positions, \$2,500,000 in general funds, and \$1,000,000 in special funds for the watershed program. These positions and funds work to manage and protect watersheds across the State to ensure long-term fresh water security. The program also reduces flooding, erosion, and damage to reefs and fisheries from runoff as forests are protected and restored.

Your Committee also approves \$4,000,000 in general funds and special funds for the State's 2016 bid to host the International Union for Conservation Nature Congress (IUCN). This is an international convention regarding sustainable resource management, climate change, and nature conservation. If awarded the bid, Honolulu will be the first city in the United States to host the IUCN.

Your Committee also approves twelve temporary positions and \$925,000 in general funds for the Community Fisheries Program. The funds will support the Maui pilot program and expand the program to Hawaii, Kauai, and Oahu. The program has shown results in reducing ocean-related violations on Maui as well as expanding community educational outreach.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Adding \$1,300,000 in special funds for information management system redesign and upgrade in Public Land Management (LNR101);
- (2) Adding \$500,000 in special funds for Kauai fire mitigation and reforestation in Forestry Resources Management and Development (LNR172/DA);
- (3) Adding \$577,000 in general funds for personal services, current operating expenses, and equipment in Conservation and Resource Enforcement (LNR405);
- (4) Adding \$1,000,000 in the special funds for Natural Resource Management Protection (LNR407/NA); and
- (5) Adding \$700,000 in special funds for park projects in Parks Administration (LNR806/FI).

The Senate Draft of the executive supplemental budget does not include \$1,000,000 in general funds for the Hawaii Invasive Species Council. Your Committee prefers to appropriate \$5,000,000 in general funds for the Council through a separate joint majority package bill, S.B. No. 2343/H.B. No. 1716.

#### Public Safety

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by reducing \$74,681 in general funds and adding \$127,116 in non-general funds. The Administration's supplemental budget request was to add \$4,099,594 in general funds and \$527,116 in non-general funds.



Your Committee approves twenty positions and \$786,718 in general funds for mental health care in correctional centers. The State was previously subject to a federal Department of Justice settlement dictating the necessary level of mental health care to be provided at Oahu Community Correctional Center. These positions will bring the remainder of the State's correctional facilities up to national standards for mental health treatment as well as reduce the State's liability in providing a minimum level of care.

Your Committee also approves twenty positions and \$519,860 in general funds for suicide and hospital watch at two correctional facilities on Oahu. These positions will provide dedicated adult correction officers to reduce suicides and provide proper security for inmate hospital visits. Dedicated hospital and suicide watch officers will significantly reduce overtime expenses incurred by the department.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Adding \$270,000 in general funds for security camera surveillance systems at Oahu, Kauai and Halawa Community Correctional Centers;
- (2) Adding \$125,000 in general funds for central building emergency exit doors in Maui Community Correctional Center (PSD406/EG);
- (3) Adding \$148,500 in general funds for replacement body armor in Sheriff's Division (PSD503/CC); and
- (4) Adding \$200,000 in special funds for the Statewide Automated Victims Information and Notification System in General Administration (PSD900/EA).

#### Taxation

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$751,280 in general funds. The Administration's supplemental budget request was to add \$1,107,028 in general funds.

Your Committee approves \$223,656 in general funds for fourteen positions in various Compliance Offices across the State. Half a year of funding for these positions is currently appropriated. This amount will provide for a full year of salary funding for the positions.

Your Committee also approves \$440,000 in general funds to pay for the costs incurred by the Attorney General's Collection Section on behalf of the department. Under the Memorandum of Understanding with the Attorney General dated May 23, 2013, the department is obligated to pay for the additional costs in order to pursue collection litigation.

#### Transportation

The Senate Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$28,160,892 in non-general funds. The Administration's supplemental budget request was to add \$27,660,892 in non-general funds.

#### *Airports*

Your Committee approves \$6,000,000 in special funds for routine maintenance of the baggage handling and explosives detection system at the Honolulu International Airport and Kahului Airport. The system is required by the Transportation Security Administration (TSA). Improvements will include distribution of electrical power to the lobbies and existing outbound baggage conveyor system and additional system controls to allow TSA to automatically operate and monitor the bags from the on-screen resolution room.

Your Committee also approves \$4,000,000 in special funds for pavement-marking rehabilitation at eight airports. Maintaining the pavement markings is a requirement of the Federal Aviation Administration. Funds will provide human resources and equipment to address areas of failure.

Your Committee also approves \$7,359,000 in special funds to purchase additional Wiki Wiki buses to accommodate international passengers waiting to be transported to the United States Customs Border and Protection at Honolulu International Airport.

#### *Harbors*

Your Committee approves \$1,500,000 in special funds for Honolulu Harbor and Kalaeloa Harbor to expand the storm drain cleaning and pollution control program on Oahu and another \$1,300,000 in special funds for other expenses that may be incurred under the federal Clean Water Act.

Your Committee also approves six positions and \$733,514 in special funds in Harbors Administration to assist with existing clean water regulations. One position in the environmental section will coordinate the Storm Water Management program and ensure compliance with small municipal separate storm water permitting. Two positions in property management will manage statewide commercial harbors systems transactions and inventories. Three positions in the short-range planning unit will assist with Geographic Information System (GIS) development, environmental review compliance of capital improvement program projects, and review of legislation.

#### *Highways*

Your Committee approves \$1,000,000 in special funds to repair all restroom facilities in Aliiimoku Hale. Restrooms at the facility are over fifty years old, and remediation of unsanitary conditions is necessary to ensure the health and safety of its occupants.

Your Committee also approves \$3,300,000 in special funds to implement the Highways Division FAST Accounting System. Through a contract with Ciber, the completion of the new system will address significant limitations in the present accounting system.

Your Committee also approves \$3,000,000 in special funds to establish a national pollutant discharge elimination system and municipal separate storm water system permit for Maui District. Identified as an urbanized area since May 2013, Kahului, Maui, is under the purview of the Clean Water Act, which mandates a storm water management plan to minimize pollutant discharge.

#### University of Hawaii

The Senate Draft of the executive supplemental budget adjusts the University's appropriation for fiscal year 2014-2015 by adding \$1,000,000 in general funds and \$70,143,000 in non-general funds. The Administration's supplemental budget request was to add \$37,526,775 in general funds and \$107,669,775 in non-general funds.

Your Committee approves eighty-nine positions and \$5,000,000 in general funds for the University of Hawaii West Oahu campus to support continued enrollment growth. The campus provides access to the underserved populations in the Leeward, North Shore, and Central Oahu areas and Native Hawaiian communities. The campus has not received the general fund support it needs to operate effectively. The positions and funds are critical for the University to ensure that its students, faculty, and staff have the necessary academic, student services, and facilities support for a quality four-year baccalaureate education.

The Senate Draft of the executive supplemental budget also makes other significant adjustments, including the following:

- (1) Adding \$47,443,000 in special funds and \$9,200,000 in revolving funds for various programs in University of Hawaii, Manoa (UOH100/AA);
- (2) Adding \$9,350,000 in special funds for various programs in University of Hawaii, John A. Burns School of Medicine (UOH110/PP);
- (3) Adding \$2,000,000 in special funds for various programs in University of Hawaii, Hilo (UOH210/MM); and
- (4) Adding fifty positions funded by general funds for the University of Hawaii, Community Colleges (UOH800).

The Senate Draft of the executive supplemental budget does not include \$33,500,000 in general funds associated with collective bargaining costs of the University of Hawaii Professional Assembly (UHPA). Your Committee prefers to provide funding through a separate bill, S.B. No. 2816, S.D.1, which has passed the Senate. The additional general fund support will significantly relieve the University's reliance on tuition dollars and will help to ward off future tuition increases for university students.

#### **V. CAPITAL IMPROVEMENTS PROGRAM BUDGET**

Your Committee finds that the State's economic situation is not what was anticipated and revenues have not increased as projected, causing the State to have less funds available to sustain additional long-term debt for capital improvement projects. In the first year of the biennium, the focus was on infusing funds into the economy, to create jobs and rebuild our aging infrastructure. Investments made in state facilities over the past biennium and the current biennium have produced a steady increase in job creation for the construction industry and economic growth. However, the importance of supporting capital improvement projects that will help diversify our economy has never been greater. Your Committee also recognizes the need to streamline government operations and allocate financial resources in a manner more reflective of the current economic landscape.

Due to the current drop in projected revenues, as well as previous strategic investments in capital improvement program projects, your Committee took a more studied approach to the capital improvement program appropriations. Accordingly, 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 \$963,506,000 for fiscal year 2013-2014 and \$1,073,424,000 for fiscal year 2014-2015 for projects funded by general obligation bonds and \$4,245,505,000 in fiscal biennium 2013-2015 for projects funded by all means of financing. In comparison, the Administration's proposed capital improvement program biennium budget, as amended pursuant to Governor's Messages, provided a total of \$977,506,000 for fiscal year 2013-2014 and \$1,027,016,000 for fiscal year 2014-2015 for projects funded by general obligation bonds and general funds and \$4,948,908,000 in fiscal biennium 2013-2015 for projects funded by all means of financing.

Your Committee has crafted a capital improvement program budget that focused on funding both critical and significant capital projects that will accomplish the following:

- (1) Address critical health, safety, and code requirements, as well as backlogged repair and maintenance with significant appropriations for the Department of Education, Department of Human Services, Hawaii Health Systems Corporation, and the University of Hawaii System;
- (2) Upgrade and modernize information technology infrastructure, with over \$100 million for the modernization of the public assistance eligibility system, as well as other departmental projects; and
- (3) Designate appropriations for projects needed to address future capacity needs, economic growth, and emergency preparedness. To these ends, your Committee included funding for the High Technology Development Corporation facility to continue diversifying our economy with a new business incubator. Once again, your Committee included funding for the College of Pharmacy building at the University of Hawaii at Hilo, to meet the needs of a critically needed and growing pharmacy program. Finally, your Committee appropriated funds for a First Responders Technology Campus and Cyber Security Command Center, to begin the long overdue process of combining all resources in the State available for natural or man-made emergency situations.

Your Committee has serious concerns regarding the state Department of Transportation's ability to manage and maintain the State's critical infrastructure, which directly contributes to the State's long-term economic viability. Your Committee is concerned that the department has not moved projects forward in a timely manner, possibly jeopardizing the availability of much needed federal funds for investment in airports, harbors, and highways. Your Committee has demonstrated its commitment to fiscal responsibility and departmental accountability by reducing the executive supplemental budget request for the Department of Transportation by over \$500 million. Therefore, the appropriation for fiscal biennium 2013-2015 is \$1,509,430,000 for the Department of Transportation. The only

increases in appropriations address several critical airport projects, as well as making funds available for the department to complete and close-out older projects. By reducing the number of new projects funded, and funding close-out costs, your Committee is hopeful that substantial progress will be made on previously appropriated capital improvement transportation projects.

Your Committee recognizes the overwhelming need in the State for services provided by non-governmental groups and non-profit agencies. Therefore, your Committee appropriated over \$33 million for fiscal year 2014-2015 for capital improvement program grants to nonprofit organizations for facilities improvements and expansion to assist these vital organizations.

In addition, your Committee provided funding for various projects within the Department of Defense, Department of Agriculture, Department of Health, Department of Education, and the University of Hawaii, among others, to ensure that contributions of matching federal, private, and other funds may be maximized and not lost or forfeited.

Finally, the Senate Draft of the executive biennium budget provides funding for various other capital improvement program projects that your Committee believes should be included at this time, but that may warrant further discussion as the executive supplemental budget is further refined during the remainder of this Regular Session to meet the evolving needs and priorities of 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 H.B. No. 1700, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1700, 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, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 3141 Ways and Means on H.B. No. 1638**

The purpose and intent of this measure is to appropriate funds for the Judiciary's operating and capital budgets for fiscal year 2014-2015.

Your Committee approves \$334,788 in general funds requested for judges' salary increases as recommended by the Commission on Salaries and authorized by the 2013 Legislature.

Your Committee also approves \$26,906 in general funds to fund the additional salary amounts for the Administrative Director and Deputy Administrative Director of the Courts. Funding provides for salary compensation levels comparable to that of other state officials whose salaries have been systematically adjusted for pay increases and changes in the cost of living over the years.

Your Committee also approves \$281,314 in general funds to upgrade the recording equipment in fourteen courtrooms at the Ronald T.Y. Moon Judiciary Complex in Kapolei. Updating the current Jefferson Audio Video System (JAVS) hardware and software is needed to maintain operations throughout the complex and improve the quality of services for members of the public and Judiciary staff.

Your Committee also approves two special duty officers and \$147,600 in general funds for the Third Circuit. This position authorization will provide dedicated special duty police officers at both the Kona Family Court and Kona Circuit Court to address the ongoing sheriff staffing problems at the facilities.

Your Committee also approves \$94,900 in general funds to replace the Children's Justice Center interview recording equipment state-wide. The highest priority of the Center is to provide a familiar and neutral facility to interview child abuse victims and crime witnesses. Thus far, the Center has interviewed over 25,000 child abuse victims, primarily victims of sexual abuse and sexual assault. It is imperative for the Center to have reliable equipment to record these types of interviews.

Additionally, your Committee finds that investment in a critically needed judicial facility for the island of Hawaii is necessary to ensure adequate services for the island's residents. Therefore, your Committee has appropriated \$90,000,000 in general obligation bonds for the new Kona Judiciary Complex.

As affirmed by the record of votes of the members 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. 1638, 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. 1638, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 3142 (Joint) Health and Commerce and Consumer Protection on S.R. No. 48**

The purpose and intent of this measure is to request the Department of Health to:

- (1) Provide food safety workshops or classes on all islands for persons with temporary food establishment permits;
- (2) Provide copies of its food safety administrative rules to consumers and interested stakeholders;
- (3) Convene a Cottage Food Business Working Group composed of representatives from the Department of Health and the cottage food industry; and
- (4) Submit a report of the Cottage Food Business Working Group's findings, recommendations, and any proposed legislation to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau, Local Food Coalition, and two individuals. Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees find that temporary food establishment permits issued by the Department of Health for cottage food businesses are invaluable for local entrepreneurship and the establishment of a local, sustainable food industry. Your Committees further find that

food safety workshops or classes available on all islands would be beneficial to home cooks who wish to grow their cottage food businesses. This measure will support public health, as well as the local food movement that has become very popular in Hawaii.

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 Health and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 48, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 48, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Nishihara).

Commerce and Consumer Protection

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Nishihara).

**SCRep. 3143 (Joint) Hawaiian Affairs and Health on H.B. No. 1616**

The purpose and intent of this measure is to add to the Hawaii State Planning Act's objectives and policies for health the identification of social determinants of health to reduce health disparities among Native Hawaiians, other Pacific Islanders, and Filipinos.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Office of Community Services; Office of Hawaiian Affairs; The Queen's Health Systems; Kaiser Permanente; Center for Hawaiian Sovereignty Studies; Nursing Advocates & Mentors, Inc.; Hawaii Alliance for Community-Based Economic Development; Asian American Network for Cancer Awareness, Research and Training; Kokua Kalihi Valley Comprehensive Family Services; Ho'ola Lahui Hawaii; I Ola Lahui, Inc.; Hawaii Primary Care Association; Community Alliance for Mental Health; Hawaii Appleseed Center for Law and Economic Justice; HealthyPacific.Org; Filipino American Citizens League; Foundation for the Advancement of Native Hawaiian Males; Waimanalo Health Center; Papa Ola Lokahi; National Federation of Filipino American Associations; and twenty-five individuals.

According to a 2013 report issued by the John A. Burns School of Medicine, your Committees find that Native Hawaiians, other Pacific Islanders, and Filipinos have disparate health outcomes compared to the rest of the State's population. These health disparities are correlated with social determinants of health such as housing, education, social services, and culture. By incentivizing state agencies to identify and address social determinants of health for Native Hawaiians, other Pacific Islanders, and Filipinos, this measure will improve the health and well-being of these communities while minimizing state health care costs.

Your Committees have amended this measure by:

- (1) Inserting language clarifying that the intent of this measure is to codify a commitment by the State to address the health status of Native Hawaiians and provide Native Hawaiian health care programs with necessary resources, which is consistent with the commitment made by the federal government in title 42 United States Code section 11702;
- (2) Inserting additional language into section 226-20(b), Hawaii Revised Statutes, relating to the Hawaii State Planning Act and health policy, to clarify that the State's policy on health includes prioritizing programs, services, interventions, and activities that address identified social determinants of health to improve Native Hawaiian health and well-being, consistent with federal policy codified in title 42 United States Code section 11702;
- (3) Inserting language into section 226-20(b), Hawaii Revised Statutes, relating to the Hawaii State Planning Act and health policy, to clarify that the prioritization of disproportionately affected demographic groups other than Native Hawaiians may be reviewed every ten years and revised based on the best available epidemiological and public health data;
- (4) Making the measure effective upon its approval; and
- (5) 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 Hawaiian Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1616, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1616, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

Health

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 3144 Water and Land on H.B. No. 2387**

The purpose and intent of this measure is to require that a person be eighteen years of age or older prior to obtaining or renewing a permit or being placed on a waitlist to obtain a permit to moor a vessel in a state small boat harbor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that owning and mooring a vessel in a state small boat harbor or facility requires a person to sign a contract, provide liability insurance, and pay appropriate fees, in addition to maintaining the vessel to be seaworthy while moored in a state

facility. Minors usually do not possess the financial means or experience to enter into such contracts. Thus, a person should be at least eighteen to obtain or renew a permit or be placed on a waitlist to obtain a mooring permit.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2387, 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, 8. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 3145 Commerce and Consumer Protection on H.B. No. 1664**

The purpose and intent of this measure is to:

- (1) Add definitions for “permanent fireworks storage building or structure” and “temporary fireworks storage building or structure”; and
- (2) Require permanent and temporary fireworks storage buildings or structures where redistribution activities are performed to comply with current applicable county building or fire codes or nationally recognized standards.

Your Committee received testimony in support of this measure from the Hawaii State Fire Council and Honolulu Fire Department.

Your Committee finds that fireworks can be extremely dangerous products not only during use, but also during transport and storage. To ensure the safety of the general public and the first responder community, this measure adds definitions for permanent and temporary consumer fireworks storage facilities based on nationally recognized standards for safety and best industry practices to protect life and property and requires permanent and temporary fireworks storage buildings to comply with applicable local codes or nationally recognized standards.

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. 1664, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 3146 Hawaiian Affairs on Gov. Msg. Nos. 517 and 518**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAII

G.M. No. 517 FRED CACHOLA, JR., for a term to expire 6-30-2017; and

G.M. No. 518 KALENA BLAKEMORE, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Fred Cachola, Jr., and Kalena Blakemore to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council, Island of Hawaii.

FRED CACHOLA, JR.

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Aha Moku Advisory Committee, North Kohala Community Resource Center, and eight individuals.

Mr. Cachola received a Bachelor’s degree in Education from Iowa State Teacher’s College and a Master’s degree in Education from the University of Hawaii at Manoa. He went on to earn an Education Administration Certification for Elementary, Intermediate, and High School Administration and a Certification for Executive Management Training at the University of Hawaii at Manoa. He worked for the Department of Education for eleven years in a number of positions, including as a teacher and school principal. Subsequently, he worked for Kamehameha Schools for twenty-five years as the Director of the school’s Community/Extension Education Division where he planned, directed and supervised the work of 150 employees on eight major school programs that served more than 30,000 students throughout Hawaii. He has also served on numerous boards and commissions in the community, including the State Historic Sites Review Board, Native Hawaiian Historic Preservation Council, and Native American Advisory Group to the National Advisory Council on Historic Preservation. He is a volunteer for numerous organizations, including the Friends of Iolani Palace; Washington Place Foundation; Hawaiian Researchers ‘Ohana, Inc.; and Hui Hanai. Mr. Cachola’s impressive commitment to his community and his wealth of historic preservation experience make him a valuable asset to the Island Burial Council, Island of Hawaii, as the Kohala regional representative.

KALENA BLAKEMORE

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and four individuals.

Ms. Blakemore received a Bachelor’s degree in Anthropology from the University of Hawaii at Hilo. She served for nine years as an Archaeologist for the Cultural Resource Management Division at Hawaii Volcanoes National Park. There, she implemented protective protocols, inventoried caves, and monitored compliance with the federal National Historic Preservation Act. She also served as an intern with the State Historic Preservation Division in 2002. She is a founding member of the Volcano School of Arts and Sciences and she also participates in native plant restoration activities. Ms. Blakemore is compelled by her Hawaiian heritage to serve the iwi kupuna and will bring a unique perspective to the Island Burial Council, Island of Hawaii, as the Puna regional representative.

As affirmed by the records of votes of the members of your Committee on 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, 1 (Kidani).

**SCRep. 3147 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 82**

The purpose and intent of this measure is to:

- (1) Recognize the forty-fifth anniversary of the Apollo 11 lunar landing at Tranquility Base by designating July 20, 2014, as “Tranquility Base Day” in Hawaii; and
- (2) Urge the United Nations Educational, Scientific and Cultural Organization (UNESCO) to include Tranquility Base and associated artifacts on the UNESCO World Heritage List.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and four individuals.

Your Committee finds that the Apollo 11 lunar landing is one of the most significant technological advancements in history, representing the first time a human stepped foot on another celestial surface. The first human landing at Tranquility Base represented the combined efforts and contributions of thousands of researchers, scientists, and engineers from many nations and states, including Hawaii. Hawaii’s important role in the Apollo program is represented by numerous facilities and programs statewide, support of the recovery of the astronauts and the command module spacecraft returning from the moon, and Hawaii’s unique geological landscape that was essential for the training of the Apollo 11 astronauts. The legacy of the Apollo 11 mission and Hawaii’s contributions is worthy of recognition and will inspire the next generation of space scientists, engineers, and entrepreneurs who will pioneer the frontiers of space.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 82 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 3148 Public Safety, Intergovernmental and Military Affairs on S.R. No. 39**

The purpose and intent of this measure is to:

- (1) Recognize the forty-fifth anniversary of the Apollo 11 lunar landing at Tranquility Base by designating July 20, 2014, as “Tranquility Base Day” in Hawaii; and
- (2) Urge the United Nations Educational, Scientific and Cultural Organization (UNESCO) to include Tranquility Base and associated artifacts on the UNESCO World Heritage List.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and four individuals.

Your Committee finds that the Apollo 11 lunar landing is one of the most significant technological advancements in history, representing the first time a human stepped foot on another celestial surface. The first human landing at Tranquility Base represented the combined efforts and contributions of thousands of researchers, scientists, and engineers from many nations and states, including Hawaii. Hawaii’s important role in the Apollo program is represented by numerous facilities and programs statewide, support of the recovery of the astronauts and the command module spacecraft returning from the moon, and Hawaii’s unique geological landscape that was essential for the training of the Apollo 11 astronauts. The legacy of the Apollo 11 mission and Hawaii’s contributions is worthy of recognition and will inspire the next generation of space scientists, engineers, and entrepreneurs who will pioneer the frontiers of space.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 39 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 3149 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 84**

The purpose and intent of this measure is to restore the presumption of a service connection for Agent Orange exposure to United States veterans who served in the water defined by the combat zone and in the airspace over the combat zone in Vietnam.

Your Committee received testimony in support of this measure from the Advisory Board to the Office of Veterans’ Services, Veterans of Foreign Wars of the United States, National Association for Uniformed Services, and seven individuals.

Your Committee finds that the United States Congress enacted the Agent Orange Act of 1991 (Agent Orange Act) to address the plight of veterans exposed to herbicides while serving in the Republic of Vietnam. The Agent Orange Act provides Vietnam War veterans with access to disability compensation and medical care, yet the Act does not address all herbicide exposure possibilities and denies the presumption of a service connection for herbicide-related illnesses to Vietnam War veterans who cannot furnish written documentation that they had “boots on the ground”. Agent Orange did not discriminate between soldiers on the ground and sailors on ships offshore. Personnel who served on ships in the “Blue Water Navy” in Vietnamese territorial waters were also exposed to dangerous airborne toxins. Your Committee finds that restoring the presumption of a service connection for Agent Orange exposure to all United States veterans who served in the Vietnam War will reaffirm the nation’s commitment to the well-being of all of its veterans.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs 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, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 3150 Public Safety, Intergovernmental and Military Affairs on H.C.R. No. 33**

The purpose and intent of this measure is to urge the President of the United States and the Secretary of Defense to honor and recognize Armed Forces Day, Memorial Day, Veterans Day, and the anniversary of Pearl Harbor with flyovers.

Your Committee received testimony in support of this measure from the State Office of Veterans Services, The Chamber of Commerce of Hawaii, and three individuals. Your Committee received comments on this measure from the State Department of Defense.

Your Committee finds that military flyovers are a reminder that our freedom was paid for by the sacrifices and dedication of those who fought in the United States Armed Forces. Flyovers are a sign of honor, respect, and remembrance of our armed forces. This measure honors and recognizes those who served or continue to serve in the United States Armed Forces and those who lost their lives while serving in the United States Armed Forces.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33, H.D. 1 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 3151 Commerce and Consumer Protection on H.B. No. 1881**

The purpose and intent of this measure is to:

- (1) Amend the composition of the Hawaii State Center for Nursing Advisory Board (Advisory Board) by decreasing the number of voting members on the Advisory Board to nine;
- (2) Amend the membership of the Advisory Board to better facilitate the Hawaii State Center for Nursing's mission;
- (3) Clarify term limits and appointments of members to the Advisory Board; and
- (4) Amend certain powers and duties of the Advisory Board.

Your Committee received testimony in support of this measure from the Board of Nursing; Hawai'i State Center for Nursing; University of Hawai'i at Manoa, School of Nursing and Dental Hygiene; Healthcare Association of Hawaii; and five individuals.

Your Committee finds that as the nursing profession transforms to meet a changing health care landscape, the ongoing process of developing a strategic plan requires the Hawaii State Center for Nursing to have an active, engaged Advisory Board with members capable of addressing workforce issues in a timely manner.

Your Committee further finds that this measure amends the composition of the Advisory Board to align itself more closely with other national nursing workforce centers and encourages collaboration of persons with the technical expertise, knowledge, and experience needed to assist the Hawaii State Center for Nursing with its mission.

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. 1881, 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 (Nishihara, Wakai).

**SCRep. 3152 Commerce and Consumer Protection on H.B. No. 2142**

The purpose and intent of this measure is to:

- (1) Repeal the requirement that a private college or university show that it maintains profitability as a means of demonstrating financial integrity to the Department of Commerce and Consumer Affairs at the time of its application for authorization; and
- (2) Repeal section 304A-3153, Hawaii Revised Statutes, relating to procedures for complaints to the University of Hawaii concerning institutions of higher learning in the State.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs Hawaii Post-Secondary Education Authorization Program and University of Hawai'i System.

Your Committee finds that although it is important that schools consistently maintain positive equity in their financial statements, it is neither uncommon nor inappropriate for a school to have financial statements that do not reflect profitability in every year that it has been in operation. Since schools may incur a loss in a particular year but still maintain positive equity, your Committee further finds that the deletion of the demonstration of profitability requirement, as proposed in this measure, is appropriate.

Your Committee additionally finds that Act 180, Session Laws of Hawaii 2013, identified the Department of Commerce and Consumer Affairs as the state entity that would perform the regulatory functions of authorizing post-secondary institutions and handling complaints against such institutions. This measure adds greater clarity to what is required of private colleges and universities

with regard to demonstrating financial integrity when applying for authorization and minimizes redundancy in the 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 H.B. No. 2142, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

**SCRep. 3153 Technology and the Arts on S.C.R. No. 88**

The purpose and intent of this measure is to approve the selection of Danny Kaleikini to be inducted into the Aloha Order of Merit.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau and two individuals.

Your Committee finds that during his long and distinguished career as an entertainer, performer, and musician, Danny Kaleikini devoted himself to the betterment of the State while embodying the concept of the Aloha Spirit, provided extraordinary service to the State, and brought honor to the State. For thirty years, he welcomed the world to the Hala Terrace at the Kahala Hilton, combining music, his Hawaiian background, humor, and the Aloha Spirit. Mr. Kaleikini has performed in establishments around the world, and former Governor John Waihee proclaimed Danny Kaleikini as Hawaii's "Ambassador of Aloha", a title shared with Duke Kahanamoku. Since his retirement in 1995, he has been actively entertaining for special occasions and has raised nearly \$450,000 for local charities.

Your Committee is in agreement that Danny Kaleikini's distinguished career and service to the State make him highly deserving of induction into the Aloha Order of Merit.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 88 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Nishihara).

**SCRep. 3154 Higher Education on Gov. Msg. Nos. 586, 587, 588, 589, and 590**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

- G.M. No. 586 STANFORD YUEN, for a term to expire 6-30-2019;
- G.M. No. 587 LEE PUTNAM, for a term to expire 6-30-2019;
- G.M. No. 588 JEFFREY PORTNOY, for a term to expire 6-30-2014;
- G.M. No. 589 JEFFREY PORTNOY, for a term to expire 6-30-2019; and
- G.M. No. 590 MICHELLE TAGORDA, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Stanford Yuen, Lee Putnam, Jeffrey Portnoy, and Michelle Tagorda to possess the requisite qualifications to be nominated to the Board of Regents of the University of Hawaii (Board of Regents).

STANFORD YUEN

Your Committee received testimony in support of the nomination of Stanford Yuen from twenty-one individuals. Your Committee received comments on the nomination of Stanford Yuen from one individual.

Your Committee finds that Mr. Yuen received his Bachelor of Science degree in Mechanical Engineering from the University of Hawaii. He earned a Master of Science degree in Industrial Engineering from the University of Southern California and a Master of Business Administration from Pepperdine University.

Mr. Yuen began his career in the aerospace industry as a Design Engineer at Boeing Aircraft. He went on to serve as a Stockbroker and Account Executive before beginning his long career as a Mechanical Engineer, Industrial Engineer, and Facilities Engineer with various branches of the federal government. Mr. Yuen also taught Engineering Economics at the University of Hawaii for many years.

During his time with the federal government, Mr. Yuen played a key role in the success of many major projects including the construction of the Ford Island Bridge, mooring of the battleship U.S.S. Missouri at Pearl Harbor, and closure of Barbers Point.

Mr. Yuen has received numerous awards and accolades, including the Hawaii Lifetime Achievement Award in Engineering, being named a Distinguished Alumni of the University of Hawaii College of Engineering, Hawaii Engineer-of-the Year, Federal Professional Employee of the Year, and the United Chinese Society's Model Citizen of the Year.

Mr. Yuen is also active in numerous professional, engineering, business, civic, cultural, education, charitable, athletic, and community organizations, serving in key leadership roles.

Your Committee finds that Mr. Yuen's extensive professional and leadership experience will make him an excellent addition to the Board of Regents.



LEE PUTNAM

Your Committee received testimony in support of the nomination of Lee Putnam from the Filipino American Citizens League; National Federation of Filipino American Associations Region 12; Filipino Coalition for Solidarity; Asian American Network for Cancer Awareness Research and Training; Nursing Advocates & Mentors, Inc.; and twenty-six individuals. Your Committee received comments on the nomination of Lee Putnam from one individual.

Your Committee finds that Dr. Putnam received her Bachelor of Arts degree from the University of Colorado. She went on to receive her Master of Arts degree from the University of Chicago and her Doctorate of Philosophy from the University of Maryland.

Dr. Putnam served as a Children's Librarian with the Chicago Public Library, Reference Librarian at the Field Museum of Natural History in Chicago, Associate Librarian at Gallaudet College, Management Intern at Rutgers University Libraries, and Consultant to the Library of Congress.

In 1980, Dr. Putnam began her career at the University of Hawaii as an Associate Librarian. She went on to serve the University of Hawaii as a Faculty Specialist, Assistant to the Senior Vice President for Academic Affairs, Interim Assistant Vice President for Academic Affairs, and a Faculty Specialist in the Office of Student Equity, Excellence, and Diversity.

Dr. Putnam has been engaged in a number of professional and community activities, including volunteering her time with the Aloha United Way, American Library Association, Hawai'i Veterans Memorial Fund, and Hawaii Services on Deafness, among other organizations.

Your Committee finds that Dr. Putnam's wide range of professional and academic experiences, as well as her commitment to the University of Hawaii, will serve her well as a member of the Board of Regents.

JEFFREY PORTNOY

Your Committee received testimony in support of the nomination of Jeffrey Portnoy from six individuals. Your Committee received comments on the nomination of Jeffrey Portnoy from two individuals.

Your Committee finds that Mr. Portnoy received his Bachelor of Arts degree from Syracuse University. He received his Juris Doctorate degree from Duke University School of Law.

Mr. Portnoy is a partner with the Cades Schutte law firm and serves as the Chair of the firm's Litigation Department and as Co-Chair of the firm's Management Committee. He has also served as an Adjunct Professor at the University of Hawaii Department of Journalism teaching courses on Media Law.

Mr. Portnoy is very active in the legal community and has served as the President of the Hawaii State Bar Association, Director of the Hawaii Supreme Court Disciplinary Board, President of the Hawaii Defense Lawyers Association, and member of the Ninth Circuit Advisory Board. He has also served as a member of the William S. Richardson School of Law Dean Search Committee.

Mr. Portnoy has been serving as an interim member of the Board of Regents for approximately four months, and your Committee finds that he will continue to be an asset to the Board of Regents.

MICHELLE TAGORDA

Your Committee received testimony in support of the nomination of Michelle Tagorda from the Hawaii State Commission on the Status of Women; Hawai'i Public Health Association; Filipino American Citizens League, Hawai'i Primary Care Association; National Federation of Filipino American Associations Region 12; Filipino Coalition for Solidarity, Nursing Advocates & Mentor, Inc.; Asian American Network for Cancer Awareness Research and Training; and twenty-three individuals. Your Committee received comments on the nomination of Michelle Tagorda from one individual.

Your Committee finds that Ms. Tagorda received a Bachelor of Science degree in Psychology and a Bachelor of Arts degree in Biology from the University of Hawaii at Manoa. She is currently a graduate student in the University of Hawaii's Master of Public Health program and is expected to graduate in May 2015.

Ms. Tagorda is currently an Undergraduate Advisor and Graduate Research Assistant at the University of Hawaii at Manoa. She is also a Program Assistant at the University of Hawaii at Manoa Office of the Vice Chancellor for Undergraduate Education. She has previously served as a Peer Advisor with the University of Hawaii at Manoa Pre-Health/Pre-Law Advising Center and as a Research Assistant on the Alcohol and Drug Abuse Division Epidemiology and Evaluation Team at the University of Hawaii at Manoa Department of Public Health Sciences.

Ms. Tagorda has received various honors for her academic achievements and is a member of the Mortar Board National Honor Society and Psi Chi Honor Society.

Your Committee finds that Ms. Tagorda will serve as the student member on the Board of Regents and will bring a fresh and unique perspective to assist the Board of Regents fulfill its mission giving due consideration to the University's student body.

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 (Ige, Keith-Agaran, Tokuda).

**SCRep. 3155 Public Safety, Intergovernmental and Military Affairs on H.B. No. 2560**

The purpose and intent of this measure is to:

- (1) Permit the continued operation of family child care homes in agriculturally designated districts if located in a farm dwelling; and
- (2) Authorize caregivers in family child care homes to provide care for one to six, rather than three to six, children unrelated to the caregivers.

Your Committee received testimony in support of this measure from the Good Beginnings Alliance, PHOCUSED, People Attentive to Children, Hawaii Association for the Education of Young Children, and twenty-four individuals. Your Committee received comments on this measure from the Department of Agriculture, Office of Planning, and two individuals.

Your Committee finds that licensed child care is scarce in rural areas around the State, despite the State's efforts to promote farming and sustainability, and family child care homes are often the only form of available and affordable child care in agriculturally designated districts. Existing law prevents family child care homes from becoming properly licensed, and special use permits to operate a family child care home on agricultural land are cost prohibitive. Hawaii cannot afford to lose existing licensed child care spaces, as parents will have no safe place to take their children while they go to work. Family child care homes are an integral part of the State's early care and learning system and benefit rural communities that have limited access to other programs.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2560, 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. 2560, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 3156 Commerce and Consumer Protection on H.B. No. 2099**

The purpose and intent of this measure is to amend various sections of the Hawaii Revised Statutes to authorize advanced practice registered nurses to practice to the fullest extent of their training and education.

Your Committee received testimony in support of this measure from the Board of Nursing; Disability and Communication Access Board; Hawai'i State Center for Nursing; University of Hawai'i at Manoa, School of Nursing and Dental Hygiene; Hawaii Association of Professional Nurses; Healthcare Association of Hawaii; Hawai'i Pacific Health; Lana'i Community Health Center; American Association of Nurse Practitioners; and six individuals.

Your Committee finds that advanced practice registered nurses provide a wide variety of health care services and are recognized as participating primary health care providers for insurance purposes under the State's Insurance Code. However, certain sections within the Hawaii Revised Statutes omit advanced practice registered nurses from the definitions or designations of health care entities who may provide health care, prescribe drugs, or sign forms. These obsolete or outdated statutes create barriers to consumer access to high quality health care provided by advanced practice registered nurses. Your Committee further finds that this measure amends these obsolete or outdated statutes, thereby enabling advanced practice registered nurses to provide quality health care to patients to the full extent of their education and training.

Your Committee has amended this measure by making a technical, nonsubstantive amendment 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 H.B. No. 2099, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2099, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 3157 (Joint) Energy and Environment and Economic Development, Government Operations and Housing and Technology and the Arts on H.B. No. 1903**

The purpose and intent of this measure is to designate June as "Outdoor Heritage Month" to celebrate Hawaii's natural environment and recreational activities.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of the Mayor of the County of Hawaii, and ten individuals.

Your Committees find that several existing state and national initiatives celebrating the natural environment and encouraging outdoor recreation are already recognized annually during the month of June. Establishing the annual recognition of Hawaii's outdoor heritage to coincide with National Trails Day, National Fishing and Boating Week, Take Pride in America, and the annual presidential and gubernatorial proclamations of Great Outdoors Month will facilitate coordinated events celebrating the State's forests, parks, waters, and lands and will also dovetail with federal initiatives celebrating the nation's natural resources.

As affirmed by the records of votes of the members of your Committees on Energy and Environment, Economic Development, Government Operations and Housing, and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1903, 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.  
Energy and Environment  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, Dela Cruz).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Tokuda).

**SCRep. 3158 (Joint) Public Safety, Intergovernmental and Military Affairs and Tourism on H.B. No. 286**

The purpose and intent of this measure is to eliminate the requirement that a hotel have a kitchen and dining room, where meals are regularly prepared and served to hotel guests and other customers, to qualify for a hotel class liquor license.

Your Committees received testimony in support of this measure from the Liquor Commission of the City and County of Honolulu, Outrigger Enterprises Group, and The Chamber of Commerce of Hawaii. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that there is a trend in modern hotel practice for certain properties to forego maintaining a hotel kitchen and dining room unless needed by an established banquet business. Instead, these properties rely on separately licensed restaurants to provide meal service for hotel guests. This measure will support the State's tourism industry by conforming legal requirements to modern business practice and hospitality trends.

Your Committees have amended this measure by:

- (1) Inserting language to clarify that the purpose of this measure is to support the State's tourism industry by increasing the inventory of condominium hotel and hotel rooms in which liquor is available by eliminating the requirement that a condominium hotel or hotel have a kitchen and dining room to qualify for a liquor license; and
- (2) 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 Public Safety, Intergovernmental 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. 286, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 286, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

Tourism  
Ayes, 4. Noes, none. Excused, 1 (Ige).

**SCRep. 3159 (Joint) Agriculture and Commerce and Consumer Protection on H.B. No. 1938**

The purpose and intent of this measure is to clarify that the current standards published by the American Society for Testing and Materials (ASTM) and the Society of Automotive Engineers are adopted for use by the Measurement and Standards Branch of the Department of Agriculture, except as may be amended by rules of the Board of Agriculture.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Agriculture; Chevron Products Company; MidPac Petroleum; and Aloha Petroleum, Ltd.

Your Committees find that this housekeeping measure is necessary because the Department of Agriculture's fuel specification rules have not been updated to reflect current and accurate ASTM standards regarding ethanol blending and are not consistent with federal law and other state laws and administrative rules.

The Department of Agriculture expressed concern that this measure addresses standards that are properly addressed in administrative rules, rather than by statute. Your Committees assured the Department that this measure does not preclude the Department of Agriculture from updating its administrative rules relating to measurement standards as it deems necessary.

Your Committees have amended this measure by:

- (1) Removing language clarifying that the current standards published by the ASTM and the Society of Automotive Engineers are adopted;
- (2) Inserting language to clarify that the rules adopted by the Board of Agriculture referring to ASTM D4814, relating to standard specification for automotive spark-ignition engine fuel, shall be deemed to refer to version ASTM D4814-13b adopted in 2013, as modified by the National Institute of Standards and Technology Handbook 130, part IV, subpart G, section 2.1 adopted in 2013; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture 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. 1938, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1938, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Agriculture  
Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Wakai).

Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Wakai).

**SCRep. 3160 Judiciary and Labor on H.B. No. 1300**

The purpose and intent of this measure is to:

- (1) Allow the settlor of a trust to designate the investment and other responsibilities to an advisor and maintain the administrative functions with the trustee;
- (2) Limit the trustee's liability for investments, transactions, and other functions over which the trustee does not exercise responsibility; and
- (3) Waive a dissenting trustee's fiduciary duty for specific transactions subject to certain limitations.

Your Committee received testimony in support of this measure from Central Pacific Bank.

Your Committee finds that existing law does not specifically authorize directed trusts in Hawaii and, as a result, estate planners and advisors recommend that their clients establish directed trusts in or move their existing trusts to other states. This measure authorizes directed trusts in Hawaii to encourage Hawaii residents to establish directed trusts in Hawaii rather than establish directed trusts or move the situs of existing trusts outside of Hawaii.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1300, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1300, 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, 1 (Galuteria).

**SCRep. 3161 (Majority) Judiciary and Labor on H.B. No. 1660**

The purpose and intent of this measure is to amend the offense of obstructing to:

- (1) Specify that a person commits the offense whether alone or with others if the person having no legal privilege to do so knowingly or recklessly provides less than one meter of space for passage on any paved public sidewalk; and
- (2) Specify that a person in a gathering commits the offense if the person refuses to obey a reasonable request or order by a law enforcement officer to move to prevent or to cease any activity that would obstruct a highway or public passage or provide less than one meter of space for passage on any paved public sidewalk.

Your Committee received testimony in support of this measure from the Department of Transportation and thirty-one individuals. Your Committee received testimony in opposition to this measure from the Pacific Alliance to Stop Slavery, Kokua Council, and twenty-three individuals. Your Committee received comments on this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that this measure includes under the offense of obstructing the act of a person knowingly or recklessly providing less than one meter of space for passage on any paved public sidewalk. However, your Committee notes the concerns raised in testimony that this measure disproportionately applies to the homeless or needy population. Your Committee further notes the testimony submitted by the Department of Transportation that the Americans with Disabilities Act (ADA) requires passage on a public sidewalk to be no less than thirty-six inches in space.

Accordingly, your Committee has amended this measure by adopting the language suggested by the Department of Transportation to delete the language regarding one meter of space for passage on any paved public sidewalk and inserting language that passage on any paved public sidewalk must be no less than thirty-six inches of space to comply with ADA requirements.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1660, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1660, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Shimabukuro). Noes, 1 (Sлом). Excused, 1 (Solomon).

**SCRep. 3162 Judiciary and Labor on H.B. No. 1750**

The purpose and intent of this measure is to:

- (1) Establish the offense of unlawful distribution of sexual representation if a person, without the consent of the person represented, intentionally or knowingly reproduces, distributes, exhibits, publishes, transmits, or otherwise disseminates a representation of a nude person or of a person engaging in sexual conduct;
- (2) Provide exceptions to the offense of unlawful distribution of sexual representation; and
- (3) Establish that the offense of unlawful distribution of sexual representation is a misdemeanor.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Department of the Prosecuting Attorney, County of Maui; Office of the Prosecuting Attorney, County of Kauai; Police Department, County of Maui; IMUAlliance; AT&T; and three individuals.

Your Committee finds that on October 1, 2013, the Governor of California signed into law legislation that prohibits a “revenge porn” perpetrator from distributing sexually explicit pictures that were intended to be private. Since then, a number of other states have considered similar legislation. According to the IMUAlliance, advancements in cellular and internet technology have made it easy to disseminate and access intimate images, videos, and recordings that depict an individual in the nude or engaged in sexual activity. These images and recordings can be used to retaliate against the depicted individual. For the depicted individual, this dissemination can result in emotional distress, loss of personal relationships, financial losses, and other consequences. This measure addresses the concerns and ramifications of the dissemination of a representation of a nude person or of a person engaging in sexual conduct without the depicted person’s consent by making this action of dissemination a criminal offense.

Your Committee notes the written testimony submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu that explains that the offense of violation of privacy in the first degree covers scenarios where the perpetrator installs or uses a device to record another person in a private place in a stage of undress or sexual activity without the depicted person’s consent. The City and County of Honolulu Prosecuting Attorney suggested that this existing law be amended to include the dissemination of a representation of a nude person or of a person engaging in sexual conduct without the depicted person’s consent.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language suggested by the Department of the Prosecuting Attorney of the City and County of Honolulu to amend section 711-1110.9, Hawaii Revised Statutes, to:

- (1) Add that a person commits the offense of violation of privacy in the first degree if the person knowingly discloses an image or video of another identifiable person either in the nude or engaging in sexual contact without the consent of the depicted person with the intent to harm substantially the depicted person with respect to specified factors;
- (2) Exclude the application of the offense of violation of privacy in the first degree to images, videos, or conduct that is voluntarily disclosed in public or commercial settings; and
- (3) Specify that the offense of violation of privacy in the first degree is not to be construed to impose liability on an electronic communication service or remote computer service.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1750, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1750, 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, 1 (Galuteria).

**SCRep. 3163 (Majority) Judiciary and Labor on H.B. No. 2496**

The purpose and intent of this measure is to amend the procedures by which regular and acting members of the Hawaii Labor Relations Board are appointed by the Governor. Specifically, this measure requires the Governor to appoint:

- (1) The representative of management after first considering any names submitted by the counties, provided that each county may submit only one name;
- (2) The representative of labor from a list of three nominees submitted by mutual agreement of the exclusive representatives, provided that if less than three names are submitted, the Governor may appoint the representative of labor without being restricted to the submitted list of names; and
- (3) The representative of the public.

Your Committee received testimony in support of this measure from the University of Hawaii Professional Assembly; Hawaii Fire Fighters Association, Local 1463 IAFF, AFL-CIO; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and United Public Workers, AFSCME Local 646, AFL-CIO. Your Committee received testimony in opposition to this measure from the Department of the Attorney General, Department of Budget and Finance, and Chamber of Commerce Hawaii.

Your Committee finds that existing law requires the Governor to appoint the members of the Hawaii Labor Relations Board after first considering the persons on a list of names submitted by public employers and employee organizations representing public employees to serve as members of the board. This measure specifies the procedures by which the members of the Hawaii Labor Relations Board are chosen by the Governor for appointment.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Hawaii Government Employees Association to clarify that the Governor is required to appoint the representative of labor from a list of three nominees by mutual agreement from a majority of the exclusive representatives and delete language that allows the Governor to appoint the representative of labor if the less than three names are submitted; and
- (2) Allowing, rather than requiring, the Governor to appoint the representative of management after first considering names submitted by the counties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2496, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2496, 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, 1 (Slom). Excused, 2 (Galuteria, Ihara).

**SCRep. 3164      Judiciary and Labor on H.B. No. 452**

The purpose and intent of this measure is to deem any person who knowingly publishes, distributes, or otherwise communicates false information about the time, date, place, or means of voting with the purpose of impeding, preventing, or otherwise interfering with the free exercise of the elective franchise, guilty of an election fraud.

Your Committee received testimony in support of this measure from Common Cause Hawaii and the League of Women Voters of Hawaii. Your Committee received comments on this measure from the Office of Elections.

Although there have been no reported incidences of a person knowingly communicating false information regarding the time, date, place, or means of voting to interfere with voting, your Committee finds that this measure proactively discourages such actions that would undermine the democratic process.

Your Committee has amended this measure by:

- (1) Making conforming amendments to the definition of “advertisements” under section 11-302, Hawaii Revised Statutes, and section 11-391, Hawaii Revised Statutes, to clarify that advertisements shall not contain false information about the time, date, place, or means of voting; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 452, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 452, 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, 1 (Solomon).

**SCRep. 3165      Judiciary and Labor on H.B. No. 2052**

The purpose and intent of this measure is to:

- (1) Increase access to provider orders for life-sustaining treatment by updating references from “physician orders for life-sustaining treatment” to “provider orders for life-sustaining treatment” throughout chapter 327K, Hawaii Revised Statutes;
- (2) Expand health care provider signatory authority to include advanced practice registered nurses; and
- (3) Correct inconsistencies over terms used to describe who may sign a provider order for life-sustaining treatment form on behalf of a patient.

Your Committee received testimony in support of this measure from the Department of Health, School of Nursing and Dental Hygiene of the University of Hawaii at Manoa, Hawaii State Center for Nursing, Healthcare Association of Hawaii, Hawaii Association of Professional Nurses, Lanai Community Health Center, Kokua Mau, American Association of Nurse Practitioners, Hospice Hawaii, Hawaii Association of Health Plans, Hawaii Medical Service Association, Hawaii Pacific Health, and nine individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that the use of provider orders for life-sustaining treatment, commonly referred to as POLST, is a holistic method of planning for end-of-life care with a specific set of medical orders to ensure that patients’ wishes are honored. Your Committee further finds that expanding signatory authority to include advanced practice registered nurses will promote efficiency, assist with a timely completion of POLST forms for patients, and expand access to health care professionals who may sign POLST forms, which will be highly beneficial for individuals living in rural areas and neighbor islands.

Your Committee notes that existing law allows a patient to designate or disqualify any individual to act as a surrogate to make a health care decision for the patient under certain conditions. Your Committee notes testimony from an individual who raised concerns that health care providers are currently creating their own written declaration of surrogate forms. As a result, your Committee urges health care providers, when creating a standard written declaration of surrogate form, to include language that conforms to section 327E-5(i), Hawaii Revised Statutes. This section requires a supervising health care provider to require a surrogate to provide a written declaration under the penalty of false swearing stating facts and circumstances reasonably sufficient to establish the claimed authority. The inclusion of this language in a standard written declaration of surrogate form increases the accountability of surrogates in making life and death decisions for patients who lack decisional capacity to provide informed consent to or refuse medical treatment.

Your Committee has amended this measure by:

- (1) Changing references from “legal representative” to “legally authorized representative”; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2052, 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. 2052, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Sлом).

**SCRep. 3166      (Majority) Judiciary and Labor on H.B. No. 33**

The purpose and intent of this measure is to make permanent the prohibition against urinating or defecating in public within the boundaries of Downtown Honolulu.

Your Committee received testimony in support of this measure from the Downtown Neighborhood Board No. 13 of the City and County of Honolulu and thirty-two individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender, American Civil Liberties Union of Hawaii, Kokua Council, and seven individuals.

Your Committee finds that urinating and defecating in public frighten and offend many people and create a public health risk and hazard stemming from the human waste. As a result, many people are discouraged from patronizing establishments that are located in the Downtown Honolulu business district due to the concerns and smells associated with public urination and defecation. Your Committee notes that the prohibition against urinating or defecating in public within the boundaries of Downtown Honolulu is scheduled to sunset on December 31, 2014. This measure will make this prohibition permanent.

However, your Committee further notes the concerns raised by the Office of the Public Defender that this measure applies disproportionately to the homeless or needy population and that criminalizing public urination and defecation fails to adequately address the problem of the insufficient number of restrooms available to the public. Furthermore, the Downtown Neighborhood Board No. 13 of the City and County of Honolulu testified that a task force under the City and County of Honolulu was created to identify existing public restroom locations within the Downtown Honolulu business district and make recommendations to increase the number of public restrooms. Your Committee believes that the availability and number of public restrooms is more appropriately addressed at the county level. Thus, your Committee encourages the task force to complete its work and make appropriate recommendations for the City and County of Honolulu to implement before making the prohibition against urinating or defecating in public within the boundaries of Downtown Honolulu permanent.

Accordingly, your Committee has amended this measure by:

- (1) Extending the sunset date of Act 84, Session Laws of Hawaii 2004, as amended, from December 31, 2014, to December 31, 2016, rather than making Act 84 permanent; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 33, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 33, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Shimabukuro). Noes, 1 (Sлом). Excused, 1 (Solomon).

**SCRep. 3167      Judiciary and Labor on H.B. No. 1723**

The purpose and intent of this measure is to:

- (1) Require the attending physician, in addition to the administrator, of a psychiatric facility to provide notice of intent to discharge a patient or notice of a patient's admission to voluntary treatment;
- (2) Establish that the notice requirements under section 334-60.7, Hawaii Revised Statutes, apply only to civil commitments as a direct result of legal proceedings under chapters 704 and 706, Hawaii Revised Statutes;
- (3) Require that the notice of intent to discharge and a certificate of service be filed with the Family Court, served by mail to the person's last known address, and sent to the prosecuting attorney of the county from which the person was originally committed, by facsimile or electronically, for the sole purpose of victim notification;
- (4) Allow any person specified as entitled to receive notice to waive this right in writing with the psychiatric facility;
- (5) Increase from three days to five calendar days the period of time after mailing of the notice within which an objection must be filed or the administrator or attending physician shall discharge or accept the patient for voluntary inpatient treatment;
- (6) Require courts to conduct hearings as soon as possible, and prior to the termination of the current commitment order, to determine if the patient still meets the criteria for involuntary hospitalization;
- (7) Require a person filing an objection to notify the psychiatric facility by telephone on the date of the filing of the objection; and
- (8) Amend section 334-76, Hawaii Revised Statutes, to require an administrator of a psychiatric facility, with respect to patients committed on court order from a criminal proceeding, to send a notice of the intent to discharge or patient's admission to voluntary inpatient treatment to persons entitled to receive notice, by mail at their last known address, and to the prosecuting attorney of the county from which the person was originally committed, by facsimile or electronically.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Healthcare Association of Hawaii, The Queen's Health Systems, and one individual.

Your Committee finds that patients are remaining involuntarily committed to hospitals due to the difficulty of obtaining a court hearing and order, even after the patient is ready to be discharged. Your Committee further finds that while these patients remain involuntarily committed, hospitals are forced to use precious resources that could serve other patients in need. This measure streamlines the notification process prior to discharge of a patient civilly committed after initially being committed pursuant to criminal statutes, while safeguarding the right of individuals who require notification of the patients' discharge to object.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1723, H.D. 2, 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 (Galuteria, Solomon, Sлом).

**SCRep. 3168     Judiciary and Labor on H.B. No. 716**

The purpose and intent of this measure is to:

- (1) Clarify that the Board of Public Accountancy may take one or more disciplinary actions for violations of public accountancy regulatory law;
- (2) Repeal the maximum amount of time for which the Board of Public Accountancy may suspend or refuse to renew a license or permit; and
- (3) Increase the amount of the administrative fine that may be imposed for any violation of public accountancy regulatory law.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Board of Public Accountancy.

Your Committee finds that a state court has determined that the Board of Public Accountancy (Board) is allowed to impose only one disciplinary sanction against a public accountant licensee in a disciplinary action. For example, the Board can suspend a license but cannot also order a fine, restitution, or continuing professional education. The court's interpretation does not reflect the intent of the Board and is inconsistent with the disciplinary authority of other boards and regulatory programs. Accordingly, this measure explicitly authorizes the Board to impose one or more disciplinary actions, when appropriate, for violations of the public accountancy licensing statutes.

Your Committee further finds that this measure increases the maximum administrative fine that the Board may impose for a licensing or permitting violation. The current amount has not been increased since the fines were established in the 1980s and is inconsistent with fines currently imposed for violations in other professions and trades. The increased fines, as proposed by this measure, will serve as a more meaningful deterrent or sanction for egregious violations of public accountancy laws. This measure therefore benefits consumers by encouraging increased compliance by certified public accountants, public accountants, and public accounting firms with the public accountancy licensing statute and by aiding the enforcement efforts of the Regulated Industries Complaints Office.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 716, 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 (Galuteria, Solomon, Slom).

**SCRep. 3169     Human Services on Gov. Msg. Nos. 552 and 553**

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

G.M. No. 552    ARTHUR CABANILLA, for a term to expire 6-30-2017; and

G.M. No. 553    VIVIAN LANDRUM, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Arthur Cabanilla and Vivian Landrum to possess the requisite qualifications to be nominated to the State Rehabilitation Council.

ARTHUR CABANILLA

Your Committee received testimony in support of the nomination of Arthur Cabanilla from the Department of Human Services.

Mr. Cabanilla is certified as an Access Technology Specialist and is dedicated to working with individuals with disabilities. Trained and certified at the Access Technology Institute in Sacramento, California, Mr. Cabanilla owns his own business and provides training and assessment in the skills of assistive technology, teaching blind individuals the computer skills they need to successfully compete in today's job market. For the past five years, he has directed the Assistive Technology User Group, a group of disabled users of assistive technology.

Mr. Cabanilla brings to the Council his personal experience as an individual with a lifetime disability. As a blind individual, he feels that he can contribute personal insight and knowledge to areas where individuals without disabilities are unable. Mr. Cabanilla has served on several different consumer boards for the blind. His experience includes serving on the Board of Directors for the National Federation of the Blind of Hawaii, and he is currently an active member of the Ho'opono's Consumer Advisory Board and the Consumer Advisory Board for the Library of the Blind and Physically Handicapped and Dyslexic. In addition, he has been elected to the Board of Directors for the Hawaii Association of the Blind.

Testimony received by your Committee indicates that Mr. Cabanilla's focus is on encouraging people with disabilities to dream, aspire, and attain their goals within a career and employment of their choice. Mr. Cabanilla indicated in his personal statement that through his continued work on the Council, he hopes to increase the number of employed individuals who struggle with a disability, address the challenge of gainful employment for individuals with disabilities, and ensure that agencies serving the disabled community are meeting standards of quality care and service.

Your Committee finds that Mr. Cabanilla's personal background, entrepreneurial spirit, and commitment to making a difference in the lives of individuals faced with challenges like his make him a valuable asset to the State Rehabilitation Council.

VIVIAN LANDRUM

Your Committee received testimony in support of the nomination of Vivian Landrum from the Department of Human Services.



Ms. Landrum is the President and Chief Executive Officer of the Kona-Kohala Chamber of Commerce. She received a Bachelor's degree in Speech and Hearing Sciences from the University of Maryland and over the past twenty years has accumulated extensive knowledge of the business industry focusing on tourism and the promotion of the Island of Hawaii. Ms. Landrum has previously worked at the Big Island Visitors Bureau and Big Island Group, both of which serve to promote the Island of Hawaii.

Ms. Landrum has demonstrated a commitment to individuals with disabilities and related initiatives by participating in numerous meetings and forums aimed at encouraging and improving the business linkages that support the disabled community. She expressed in her personal statement her own experience of having a stepson with a learning disability who receives vocational rehabilitation services and her desire to make a positive impact on the disabled community while using her connections with the business community.

Ms. Landrum's focus is on promoting employment opportunities for individuals with disabilities to enhance their self-esteem and allow them to contribute to society. Your Committee believes that Ms. Landrum has the experience, leadership, and willingness to actively better the community. Her educational background, extensive work experience, and community participation are assets to the State Rehabilitation Council and a strong indication that Ms. Landrum will continue to improve employment opportunities and outcomes for persons with disabilities and advocate for adequate funding for related programs and services.

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, 5. Noes, none. Excused, none.

**SCRep. 3170 Human Services on Gov. Msg. Nos. 602, 603, and 604**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY

- G.M. No. 602 MYOUNG OH, for a term to expire 6-30-2018;
- G.M. No. 603 SHERI TANAKA, for a term to expire 6-30-2014; and
- G.M. No. 604 SHERI TANAKA, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Myoung Oh and Sheri Tanaka to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Public Housing Authority.

MYOUNG OH

Your Committee received testimony in support of the nomination of Myoung Oh from the Department of Human Services, Hawaii Public Housing Authority Board of Directors, Hawaii Public Housing Authority, Building Industry Association of Hawaii, and three individuals.

Mr. Oh has years of experience in public and community service. As the Director of Government Relations at the Hawaii Association of REALTORS and a Development Committee Member of the Hawaii Homeownership Center, he has direct knowledge of the realities of Hawaii's high-cost housing market as well as experience with families working to obtain their first home. Individuals who have worked with Mr. Oh professionally commend his professionalism, competency, and demonstrated leadership. One of Mr. Oh's goals for the Board is to improve public housing neighborhoods. He believes that taking pride in one's community and association helps to change people's attitudes about their neighborhood.

Upon review of the testimony, your Committee finds that Mr. Oh has an impressive work ethic, strong sense of integrity, and a fresh perspective that contributes to developing sound and thoughtful policy decisions. He has also been participating in meetings of the Board of Directors of the Hawaii Public Housing Authority over the past several months and has made positive contributions to discussions. Your Committee finds that Mr. Oh will continue to be a valuable asset to the Board.

SHERI TANAKA

Your Committee received testimony in support of the nomination of Sheri Tanaka from the Department of Human Services; Hawaii Public Housing Authority Board of Directors; Hawaii Public Housing Authority; Halm's Enterprises, Inc.; Island Business Management LLC; Church of Jesus Christ of Latter-Day Saints, Kaimuki Ward; Takemoto and Shimozone LLC; and eight individuals.

Ms. Tanaka earned a Juris Doctorate from Brigham Young University in Provo, Utah. She is a licensed attorney in both Hawaii and California and has her Hawaii real estate license. Ms. Tanaka's background includes an impressive list of academic achievements as well as a demonstrated commitment to her community. She is often complemented for the smile and energy she brings to a room and is described as a clear thinker, diligent, forthright, and compassionate. Ms. Tanaka has established her own law firm and has used her corporate law and litigation experience to successfully help clients remain profitable and legally compliant while balancing the interests of all parties involved.

Your Committee finds that Ms. Tanaka's legal, journalism, and real estate background qualify her for appointment to the Board of Directors of the Hawaii Public Housing Authority. Ms. Tanaka has valuable international experience and hopes to use her knowledge to bring a culturally sensitive perspective to Hawaii's housing issues. She believes that the community can significantly impact the lives of individual people, and that she will make a positive difference for Hawaii Public Housing Authority tenants by bringing people together to work toward a common goal.

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, 5. Noes, none. Excused, none.

**SCRep. 3171 Health on H.C.R. No. 17**

The purpose and intent of this measure is to request the Department of Health Developmental Disabilities Division to establish a task force to review Hawaii's statutory definition of "developmental disabilities".

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Hawaii Disability Rights Center, and Disability and Communication Access Board.

Your Committee finds that the definition of "developmental disabilities" in section 333F-1, Hawaii Revised Statutes, is a federal definition that was intended to be a functional or planning definition for the State to further define. Every state except Hawaii has further defined "developmental disabilities" in state statutes or regulations.

Your Committee further finds that eligibility for services provided by the Department of Health Developmental Disabilities Division is based on the statutory definition of developmental disabilities. Many people with behavioral challenges, including fetal alcohol syndrome, may not be covered by the current definition. Therefore, this measure encourages the Department of Health to review the statutory definition of "developmental disabilities" so the State may improve its support for persons with disabilities and their families.

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 Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 17, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 17, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 3172 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 HAWAII

G.M. No. 593 T. KEIKIALOHA KEKIPI, for a term to expire 6-30-2017

Your Committee has reviewed the personal history and resume submitted by the nominee and finds T. Keikialoha Kekipi to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council, Island of Hawaii.

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources.

Mr. Kekipi is the Founder and Executive Director of Ho'oulu Lahui, a nonprofit, educational organization whose mission and goals are to perpetuate Hawaiian cultural practices and beliefs. He also serves as the President of the Kua O Ka La New Century Public Charter School Board in Puna, Hawaii. He previously served as a Project Director for various projects at the Administration for Native Americans. He also served as a member of the Island Burial Council, Island of Hawaii, in the past. Mr. Kekipi's valuable knowledge and devotion to his community and cultural heritage make him ideally suited for the Island Burial Council, Island of Hawaii.

As affirmed by the record of votes of the members of your Committee on 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, 1 (Galuteria).

**SCRep. 3173 Hawaiian Affairs on Gov. Msg. No. 617**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 617 WILLIAM RICHARDSON, for a term to expire 6-30-2018

Your Committee has reviewed the personal history and resume submitted by the nominee and finds William Richardson to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Hawaiian Homes Commission as an Oahu representative.

Your Committee has received testimony in support of this nominee from the Office of Hawaiian Affairs; Department of Hawaiian Home Lands; William S. Richardson School of Law, University of Hawaii at Manoa; Department of Business, Economic Development, and Tourism; Office of the Mayor, County of Hawaii; Sky Ohana; Oceanit; and three individuals.

Mr. Richardson earned his Bachelor's degree from the University of California, Santa Barbara, in Economics and Sociology and his Juris Doctorate from Duke University, School of Law. He is currently a general partner for Human Services Hawaii Management Partners and an Adjunct Professor at the University of Hawaii's College of Business Administration and Richardson School of Law. He also serves as a Trustee on the University of Hawaii Foundation, where he serves on the Finance Committee, which manages an

investment portfolio of more than \$300,000,000. In addition, he is the Founder and President of HiBEAM, a virtual incubator, helping build Hawaii-based companies that make a significant contribution to the local economy. As an attorney, he has practiced in securities, finance, and commercial law. Mr. Richardson's extensive business, legal, and financial experience makes him an ideal candidate for the Hawaiian Homes Commission.

As affirmed by the record of votes of the members of your Committee on 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, 1 (Galuteria).

**SCRep. 3174 (Joint) Hawaiian Affairs and Transportation and International Affairs and Technology and the Arts on S.C.R. No. 71**

The purpose and intent of this measure is to urge the State and state entities to support the Hokule'a and her crew as they journey around the world.

Your Committees received testimony in support of this measure from the Hawaiian Educational Council and Association of Hawaiian Civic Clubs.

Your Committees finds that the Hokule'a is a reconstructed traditional Polynesian vessel that is rekindling pride and aspiration among Native Hawaiians and Pacific islanders. The Hokule'a is scheduled to traverse the globe using traditional Polynesian navigational techniques in 2014. During this worldwide voyage, the Hokule'a will share Native Hawaiian culture and heritage with communities around the world while raising awareness for environmental sustainability and the practice of natural resource management.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs, Transportation and International Affairs, and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 71 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs

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

Transportation and International Affairs

Ayes, 5. Noes, none. Excused, 4 (Espero, Gabbard, Kouchi, Solomon).

Technology and the Arts

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

**SCRep. 3175 (Joint) Hawaiian Affairs and Technology and the Arts on S.C.R. No. 47**

The purpose and intent of this measure is to recognize January 17 of every year as Ho'oku'ikahi Day, or Reconciliation Day, in honor and remembrance of the justice, reconciliation, and nonviolence of Queen Lili'uokalani.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Pacific Justice & Reconciliation Center, Interfaith Alliance Hawaii, Koolauhui'ia Protestant Church, and four individuals. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committees find that designating January 17 as Ho'oku'ikahi Day, or Reconciliation Day, will remind and educate the State's residents of the historical events surrounding the 1893 illegal overthrow of Queen Lili'uokalani. Accordingly, your Committees support an annual day of reflection to commemorate the unjust overthrow of Queen Lili'uokalani and reflect on the State's commitment to achieving reconciliation as envisioned by Queen Lili'uokalani.

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 Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 47, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 47, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 3176 (Joint) Hawaiian Affairs and Technology and the Arts on S.R. No. 21**

The purpose and intent of this measure is to recognize January 17 of every year as Ho'oku'ikahi Day, or Reconciliation Day, in honor and remembrance of the justice, reconciliation, and nonviolence of Queen Lili'uokalani.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Pacific Justice & Reconciliation Center, Association of Hawaiian Civic Clubs, Interfaith Alliance Hawaii, Koolauhui'ia Protestant Church, and twelve

individuals. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies. Your Committees received comments on this measure from one individual.

Your Committees find that designating January 17 as Ho'oku'ikahi Day, or Reconciliation Day, will remind and educate the State's residents of the historical events surrounding the 1893 illegal overthrow of Queen Lili'uokalani. Accordingly, your Committees support an annual day of reflection to commemorate the unjust overthrow of Queen Lili'uokalani and reflect on the State's commitment to achieving reconciliation as envisioned by Queen Lili'uokalani.

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 Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 21, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 21, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 3177 (Joint) Hawaiian Affairs and Transportation and International Affairs and Technology and the Arts on S.C.R. No. 70**

The purpose and intent of this measure is to urge the Governor to proclaim 2014 as the Year of the Worldwide Voyage.

Your Committees received testimony in support of this measure from the Hawaiian Educational Council and Association of Hawaiian Civic Clubs.

Your Committees find that the Hokule'a is a traditional voyaging canoe that will depart on a five-year, worldwide voyage in 2014 using traditional Polynesian navigation methods. As the Hokule'a sails, it will bring together Pacific island communities and share Hawaii's heritage and culture with communities around the world. Along the way, it will teach Hawaii's children about their heritage, respect for others, and environmental sustainability.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs, Transportation and International Affairs, and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 70 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs

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

Transportation and International Affairs

Ayes, 5. Noes, none. Excused, 4 (Espero, Gabbard, Kouchi, Solomon).

Technology and the Arts

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

**SCRep. 3178 (Joint) Hawaiian Affairs and Transportation and International Affairs and Technology and the Arts on S.R. No. 35**

The purpose and intent of this measure is to urge the Governor to proclaim 2014 as the Year of the Worldwide Voyage.

Your Committees received testimony in support of this measure from the Hawaiian Educational Council.

Your Committees find that the Hokule'a is a traditional voyaging canoe that will depart on a five-year, worldwide voyage in 2014 using traditional Polynesian navigation methods. As the Hokule'a sails, it will bring together Pacific island communities and share Hawaii's heritage and culture with communities around the world. Along the way, it will teach Hawaii's children about their heritage, respect for others, and environmental sustainability.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs, Transportation and International Affairs, and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 35 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs

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

Transportation and International Affairs

Ayes, 6. Noes, none. Excused, 3 (Espero, Gabbard, Solomon).

Technology and the Arts

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

**SCRep. 3179 (Joint) Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing on S.C.R. No. 83**

The purpose and intent of this measure is to:

- (1) Commend and support the Pacific International Space Center for Exploration Systems' (PISCES) collaborative work with the National Aeronautics and Space Administration (NASA) and private industries in the areas of basaltic concrete and additive manufacturing; and
- (2) Request the State to collaborate with PISCES, county agencies, and private industries to explore opportunities for applications of basaltic concrete and additive manufacturing to reduce Hawaii's dependence on imported concrete.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; PISCES; and three individuals.

Your Committees find that as a result of the similarity of Hawaii's volcanic dust and lava to the regolith on the surface of the moon and Mars, PISCES is assuming a global leadership role in the development of technologies that potentially will support the manufacture of concrete and other materials that may be used to construct facilities on other planetary bodies. Research and development to support innovative technologies in basalt concrete composition and delivery is an attractive and self-sustaining alternative to continued reliance on cement and bitumen imports. PISCES has entered into research and development alliances with various private industry partners and has been invited by NASA to participate in a two-to-three year NASA research program on three-dimensional additive construction using basalt regolith. PISCES has secured a leadership role for the State in the maturation of these pioneering technologies and advancing the future well-being of the State.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 83 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, English).

**SCRep. 3180 (Joint) Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing on S.R. No. 40**

The purpose and intent of this measure is to:

- (1) Commend and support the Pacific International Space Center for Exploration Systems' (PISCES) collaborative work with the National Aeronautics and Space Administration (NASA) and private industries in the areas of basaltic concrete and additive manufacturing; and
- (2) Request the State to collaborate with PISCES, county agencies, and private industries to explore opportunities for applications of basaltic concrete and additive manufacturing to reduce Hawaii's dependence on imported concrete.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; PISCES; and three individuals.

Your Committees find that as a result of the similarity of Hawaii's volcanic dust and lava to the regolith on the surface of the moon and Mars, PISCES is assuming a global leadership role in the development of technologies that potentially will support the manufacture of concrete and other materials that may be used to construct facilities on other planetary bodies. Research and development to support innovative technologies in basalt concrete composition and delivery is an attractive and self-sustaining alternative to continued reliance on cement and bitumen imports. PISCES has entered into research and development alliances with various private industry partners and has been invited by NASA to participate in a two-to-three year NASA research program on three-dimensional additive construction using basalt regolith. PISCES has secured a leadership role for the State in the maturation of these pioneering technologies and advancing the future well-being of the State.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 40 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, English).

**SCRep. 3181 (Joint) Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing on S.R. No. 56**

The purpose and intent of this measure is to urge the Honolulu City Council to apply for declaration of Whitmore Village in central Oahu as a state enterprise zone.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaii Farm Bureau.

Your Committees find that the state enterprise zones program was established to stimulate business and industrial growth in economically disadvantaged areas of the State by providing regulatory flexibility and tax incentives. It is vital to the State's future to encourage economic growth and diversity in rural areas, such as central Oahu's Whitmore Village. The inclusion of Whitmore Village in the state enterprise zones program will allow future legislation to be directed to steer economic development, including jobs, housing, emerging industries, and education, to the leeward side of Oahu.

Your Committees have amended this measure by:

- (1) Inserting additional language regarding the inclusion of Whitmore Village in the existing Enterprise Zone No. 2 in the City and County of Honolulu;
- (2) Amending the title to read: "URGING THE HONOLULU CITY COUNCIL TO APPLY FOR INCLUSION OF WHITMORE VILLAGE IN CENTRAL OAHU IN THE EXISTING ENTERPRISE ZONE NO. 2 (MILILANI TECH PARK AND PARTS OF WAHIAWA)"; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 56, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 56, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, English).

**SCRep. 3182     Agriculture on Gov. Msg. No. 598**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF AGRICULTURE

G.M. No. 598    RICHARD HA, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Richard Ha to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Board of Agriculture.

Your Committee received testimony in support of the nomination of Richard Ha from the Department of Agriculture; Agribusiness Development Corporation; Representative Colleen W. Hanabusa, United States Congress; Office of the Mayor, County of Hawaii; Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; Kauai Chamber of Commerce; Hamakua County Farm Bureau; Rivertop Solutions LLC; 4 Ag Hawaii; Hawaii Forest Industry Association; Mahukona Ranch; McCandless Ranch; Food Solutions Inc.; Kualoa Ranch; Ola'a Banana Co.; Hawaii Agriculture Research Center; Monsanto Company; Indigenous Consultants, LLC; Merriman's Restaurants; Hawaii Floriculture and Nursery Association; Edmund C. Olson Trust II; Kapoho Land Partnership; Hawaii Regional Council of Carpenters; Hawaii Pineapple Company LLC; Maui County Farm Bureau; Syngenta Hawaii; Island Princess; White Cloud Nursery; Sugarland Growers, Inc.; Young Brothers; Pacific Resource Partnership; Ponoholo Ranch, Ltd.; Armstrong Products; Matsuda-Fukuyama Farms, Inc.; Y. Hirayama Farm, Inc.; Building Industry Association of Hawaii; Laborers' International Union of North America, Local 368; Research Designed for Agriculture; Hawaii Crop Improvement Association; and 207 individuals. Your Committee received testimony in opposition to the nominee from Corkers' Rancho Aloha; Ho'okipa Network – Kauai; and seventeen individuals.

After serving as a United States Army Captain in the Vietnam War, Mr. Ha earned a Bachelor's degree in Accounting from the Shidler College of Business at the University of Hawaii. He is the Founder and President of Hamakua Springs Country Farms, a diversified agriculture operation consisting of 600 fee simple acres on the Hilo/Hamakua Coast where he grows bananas and hydroponic tomatoes. He is also the Founding Member and President of the Big Island Community Coalition, whose mission is to decrease electricity costs on the Big Island to assist farmers and increase the State's food security. He recently received the 2011 Distinguished Alumni Award from the University of Hawaii Alumni Association.

Mr. Ha is significantly involved in the community and has been on the board of numerous community organizations, including the Hawaii Island Economic Development Board, Keaholoa STEM Program, Boys and Girls Club of Hawaii, and the Advisory Board for the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources. He is currently a member of the Hawaii Clean Energy Steering Committee, The Kohala Center Board, and Geothermal Working Group. He is considered one of the most respected and innovative agricultural leaders in the State and is passionate about increasing the State's food security and sustainability. Richard's extensive agricultural experience, community involvement, and valuable contributions to the Board of Agriculture as a current board member make him ideally suited for reappointment to the Board of Agriculture as a Hawaii County representative.

As affirmed by the record of votes of the members of your Committee on Agriculture 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, 7. Noes, none. Excused, none.

**SCRep. 3183 Agriculture on Gov. Msg. Nos. 555 and 556**

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 555 JASON MISAKI, for a term to expire 6-30-2017; and

G.M. No. 556 REGINALD HASEGAWA, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Jason Misaki and Reginald Hasegawa to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Advisory Committee on Pesticides.

JASON MISAKI

Your Committee received testimony in support of this nominee from the Department of Agriculture and Hawaii Cattlemen's Council, Inc. Your Committee received testimony in opposition to the nominee from two individuals.

Mr. Misaki received his Bachelor's degree from the University of Hawaii at Manoa. Since graduation, Mr. Misaki has been employed at the Department of Land and Natural Resources in a number of positions, including as a Technician and Biologist for the Wildlife Program in the Division of Forestry and Wildlife. Since 2007, he has held the position of Wildlife Program Manager in the Division of Forestry and Wildlife, Oahu Branch. Throughout his career, Mr. Misaki has gained extensive experience in analyzing the efficiency and effects of land management techniques, especially as they relate to pesticides. He also has particular expertise in investigating and mitigating the effects of pesticides and pollution on wildlife. Given his diverse experience in the Division of Forestry and Wildlife, Mr. Misaki will be an asset to the Advisory Committee on Pesticides as the Department of Land and Natural Resources' representative.

REGINALD HASEGAWA

Your Committee received testimony in support of this nominee from the Department of Agriculture; Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; Forest Solutions, Inc.; Hawaii Agriculture Research Center; Hawaii Floriculture and Nursery Association; Bayer CropScience; Sugarland Growers Inc.; Maui County Farm Bureau; Y. Hirayama Farm, Inc.; and twenty-three individuals. Your Committee received testimony in opposition to the nominee from three individuals.

Mr. Hasegawa received a Bachelor's degree in Biology from the University of Hawaii at Hilo. After graduation, Mr. Hasegawa worked for United Agri Products as a Sales Representative, then later as an Area Manager. He currently is a Location Manager for Crop Production Services Hilo, formerly United Agri Products. He has served on the Board of Directors of the Hawaii Farm Bureau Federation for Kohala and is a member of numerous community organizations, including the Hawaii Coffee Association, Hawaii Papaya Industry Association, Hawaii Crop Improvement Association, and Hawaii Organic Farmers Association. His extensive experience in pesticide products and the agricultural industry throughout the State makes him ideally suited for the Advisory Committee on Pesticides, as a pesticide industry representative.

As affirmed by the records of votes of the members of your Committee on Agriculture 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, 7. Noes, none. Excused, none.

**SCRep. 3184 Technology and the Arts on S.C.R. No. 8**

The purpose and intent of this measure is to request the City and County of Honolulu to name the new central Oahu ambulance facility after the late Loretta Fuddy, Director of Health.

Your Committee received testimony in support of this measure from American Medical Response and two individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that as the Director of Health, the late Loretta Fuddy was a highly respected national figure on health services and public health administration. One of her first acts as the Director of Health was to save the Maui County Medevac helicopter from budget cuts. On December 11, 2013, that same helicopter carried her body and the survivors of a commuter plane crash off the Kalaupapa peninsula for further medical treatment. Director Fuddy was killed in the line of duty while serving some of the most abandoned and marginalized people of Hawaii. This measure honors Director Fuddy's commitment to public service and public health.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 8 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Tokuda).

**SCRep. 3185 Technology and the Arts on S.R. No. 7**

The purpose and intent of this measure is to request the City and County of Honolulu to name the new central Oahu ambulance facility after the late Loretta Fuddy, Director of Health.

Your Committee received testimony in support of this measure from American Medical Response and two individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that as the Director of Health, the late Loretta Fuddy was a highly respected national figure on health services and public health administration. One of her first acts as the Director of Health was to save the Maui County Medevac helicopter from budget cuts. On December 11, 2013, that same helicopter carried her body and the survivors of a commuter plane crash off the Kalaupapa peninsula for further medical treatment. Director Fuddy was killed in the line of duty while serving some of the most abandoned and marginalized people of Hawaii. This measure honors Director Fuddy's commitment to public service and public health.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 7 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Tokuda).

**SCRep. 3186      Judiciary and Labor on S.C.R. No. 41**

The purpose and intent of this measure is to request the Department of Education and Department of Human Services to assist with increasing voter registration among young adults by:

- (1) Requesting the Department of Education to provide seniors at every public school with voter registration information prior to graduation;
- (2) Requesting the Department of Human Services to provide young adults who are in young adult voluntary foster care with information on voter registration; and
- (3) Requesting the Department of Human Services to provide additional information about the voter registration process to any young adult who inquires.

Your Committee received testimony in support of this measure from the Department of Human Services and Hawaii Youth Services Network.

Your Committee finds that this measure will provide young adults with more information regarding the voter registration process and may encourage more young adults to exercise their right to vote.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 3187      (Joint) Public Safety, Intergovernmental and Military Affairs and Energy and Environment on S.R. No. 79**

The purpose and intent of this measure is to urge the federal government to adopt federal policy to prohibit the introduction of non-native species, and to manage and prevent the uncontrolled proliferation of invasive species.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs and two individuals. Your Committees received testimony in opposition to this measure from the Hawaii Sportsmen Alliance, Big Island Fisheries Alliance, Good Shepard Foundation, and three individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that the proliferation of certain invasive species inflicts irreparable damage to native habitats, native ecosystems, and native species. States, organizations, agencies, and individuals are allowed to import invasive species under different state laws, with conflicting levels of permitting, monitoring, protection, management, and enforcement. Furthermore, the federal government has no single policy prohibiting or limiting the import and keeping of invasive species in the United States. The management and control of import and proliferation of invasive species would benefit from application of federal guidelines, standards, regulations, and oversight.

Your Committees have amended this measure by:

- (1) Replacing the word "non-native" with the word "invasive" throughout the measure;
- (2) Amending the title of the measure to read, "URGING THE FEDERAL GOVERNMENT TO ADOPT FEDERAL POLICY TO PROHIBIT THE INTRODUCTION OF INVASIVE SPECIES, AND TO MANAGE AND PREVENT THE UNCONTROLLED PROLIFERATION OF INVASIVE SPECIES"; and
- (3) 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 Public Safety, Intergovernmental and Military Affairs and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 79, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 79, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
  
Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).  
  
Energy and Environment  
Ayes, 4. Noes, none. Excused, 1 (Ihara).



**SCRep. 3188 (Joint) Public Safety, Intergovernmental and Military Affairs and Energy and Environment on S.C.R. No. 143**

The purpose and intent of this measure is to urge the federal government to adopt federal policy to prohibit the introduction of non-native species, and to manage and prevent the uncontrolled proliferation of invasive species.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs and two individuals. Your Committees received testimony in opposition to this measure from the Hawaii Sportsmen Alliance, Big Island Fisheries Alliance, Good Shepard Foundation, and three individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that the proliferation of certain invasive species inflicts irreparable damage to native habitats, native ecosystems, and native species. States, organizations, agencies, and individuals are allowed to import invasive species under different state laws, with conflicting levels of permitting, monitoring, protection, management, and enforcement. Furthermore, the federal government has no single policy prohibiting or limiting the import and keeping of invasive species in the United States. The management and control of import and proliferation of invasive species would benefit from application of federal guidelines, standards, regulations, and oversight.

Your Committees have amended this measure by:

- (1) Replacing the word “non-native” with the word “invasive” throughout the measure;
- (2) Amending the title of the measure to read, “**URGING THE FEDERAL GOVERNMENT TO ADOPT FEDERAL POLICY TO PROHIBIT THE INTRODUCTION OF INVASIVE SPECIES, AND TO MANAGE AND PREVENT THE UNCONTROLLED PROLIFERATION OF INVASIVE SPECIES**”; and
- (3) 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 Public Safety, Intergovernmental and Military Affairs and Energy and Environment 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Energy and Environment  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 3189 (Joint) Public Safety, Intergovernmental and Military Affairs and Energy and Environment on S.R. No. 52**

The purpose and intent of this measure is to minimize soil erosion and sediment run-off by requesting that the counties reevaluate and, if necessary, update their best management practices for construction.

Your Committees received testimony in support of this measure from Hui o Ko’olaupoko and fifteen individuals.

Your Committees find that the construction process often involves the removal of vegetation, the alteration of topography, and the covering of previously vegetated surfaces with impervious cover such as roads, driveways, and buildings. These changes to the landscape often result in the erosion of soil and sedimentation of water bodies as soil travels in water run-off. Best management practices are generally effective and involve practical methods of eliminating or reducing the discharge of pollutants from construction sites into state waters; however, the State’s nearshore waters continue to be polluted from run-off, despite existing best management practices. Your Committees therefore conclude that existing best management practices for construction need to be reevaluated and strengthened to minimize soil erosion and sediment run-off that may damage the State’s reefs and nearshore waters.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 52 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Energy and Environment  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 3190 (Joint) Public Safety, Intergovernmental and Military Affairs and Energy and Environment on S.C.R. No. 104**

The purpose and intent of this measure is to minimize soil erosion and sediment run-off by requesting that the counties reevaluate and, if necessary, update their best management practices for construction.

Your Committees received testimony in support of this measure from Hui o Ko’olaupoko and fifteen individuals.

Your Committees find that the construction process often involves the removal of vegetation, the alteration of topography, and the covering of previously vegetated surfaces with impervious cover such as roads, driveways, and buildings. These changes to the landscape often result in the erosion of soil and sedimentation of water bodies as soil travels in water run-off. Best management practices are generally effective and involve practical methods of eliminating or reducing the discharge of pollutants from construction

sites into state waters; however, the State's nearshore waters continue to be polluted from run-off, despite existing best management practices. Your Committees therefore conclude that existing best management practices for construction need to be reevaluated and strengthened to minimize soil erosion and sediment run-off that may damage the State's reefs and nearshore waters.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 104 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Energy and Environment  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 3191 (Joint) Public Safety, Intergovernmental and Military Affairs and Commerce and Consumer Protection on S.R. No. 85**

The purpose and intent of this measure is to request Hawaii's congressional delegation to introduce legislation to establish food labeling requirement pertaining to genetically modified organisms.

Your Committees received testimony in support of this measure from the Department of Agriculture, Hawaii Crop Improvement Association, Hawaii Farmers and Ranchers United, and 1,978 "Conventional People". Your Committees received comments on this measure from the Hawaii Farm Bureau, Hawaii Food Industry Association, and Hawaii Cattlemen's Council.

Your Committees find that it is the responsibility of the United States Congress to pass laws that resolve nationwide inconsistencies in laws. However, federal law is silent on the contested issue of mandatory labeling of genetically modified foods. Hawaii's congressional delegation is requested to introduce legislation that will protect consumers by clarifying food labeling requirements pertaining to genetically modified organisms and advancing food safety, while ensuring that food remains affordable.

Your Committees have amended this measure by:

- (1) Inserting language stating that a federal legislative solution should protect consumers by eliminating confusion and advancing food safety, while ensuring that food remains affordable;
- (2) Specifying that the request made by this measure is for the clarification, rather than establishment, of food labeling requirements pertaining to genetically modified organisms;
- (3) Amending the title to read: "REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE LEGISLATION TO CLARIFY FOOD LABELING REQUIREMENTS PERTAINING TO GENETICALLY MODIFIED ORGANISMS"; and
- (4) 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 Public Safety, Intergovernmental and Military Affairs and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 85, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 85, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3192 (Joint) Public Safety, Intergovernmental and Military Affairs and Commerce and Consumer Protection on S.C.R. No. 149**

The purpose and intent of this measure is to request Hawaii's congressional delegation to introduce legislation to establish food labeling requirement pertaining to genetically modified organisms.

Your Committees received testimony in support of this measure from the Department of Agriculture, Hawaii Crop Improvement Association, Hawaii Farmers and Ranchers United, and 1,978 "Conventional People". Your Committees received comments on this measure from the Hawaii Farm Bureau, Hawaii Food Industry Association, and Hawaii Cattlemen's Council.

Your Committees find that it is the responsibility of the United States Congress to pass laws that resolve nationwide inconsistencies in laws. However, federal law is silent on the contested issue of mandatory labeling of genetically modified foods. Hawaii's congressional delegation is requested to introduce legislation that will protect consumers by clarifying food labeling requirements pertaining to genetically modified organisms and advancing food safety, while ensuring that food remains affordable.

Your Committees have amended this measure by:

- (1) Inserting language stating that a federal legislative solution should protect consumers by eliminating confusion and advancing food safety, while ensuring that food remains affordable;
- (2) Specifying that the request made by this measure is for the clarification, rather than establishment, of food labeling requirements pertaining to genetically modified organisms;

- (3) Amending the title to read: "REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE LEGISLATION TO CLARIFY FOOD LABELING REQUIREMENTS PERTAINING TO GENETICALLY MODIFIED ORGANISMS"; and
- (4) 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 Public Safety, Intergovernmental and Military Affairs and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 149, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 149, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Commerce and Consumer Protection  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3193 (Joint) Energy and Environment and Water and Land on S.R. No. 34**

The purpose and intent of this measure is to endorse and support the Aloha+ Challenge to achieve ambitious targets related to clean energy, local food, natural resource management, waste reduction, smart sustainable communities, and green workforce by 2030.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Department of Health; Department of Agriculture; Office of Hawaiian Affairs; Office of Planning; State Sustainability Coordinator; County of Kauai Office of Economic Development; Hawaii Energy Policy Forum; Hawaii Green Growth; The Nature Conservancy; Ulupono Initiative; The Sky Ohana; Enterprise Honolulu; and fifteen individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from one individual.

Your Committees find that Hawaii exemplifies the urgent need for action on the global challenge to build more sustainable economies, as Hawaii's people depend on imports for roughly 95 percent of their energy and 85 percent of their food, at an estimated annual cost of more than \$8,000,000,000.

Your Committees further find that drawing from experience from other international commitments, key elements for an Aloha+ Challenge: A Culture of Sustainability – He Nohona 'Ae'oa have been outlined, with principles and targets based on current state priorities and policies, including:

- (1) Respecting the culture, character, beauty, and history of the State's island communities;
- (2) Striking a balance between economic, social, community, and environmental priorities;
- (3) Meeting the needs of the present without compromising the ability of future generations to meet their own needs; and
- (4) Addressing the impacts of climate change and increasing climate change resilience.

Leadership and support by the Legislature is critical for the success of implementing the Aloha+ Challenge. Your Committees note that a statewide commitment to the Aloha+ Challenge should also help to promote education for sustainable development for youth and Hawaiian values.

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 Energy and Environment and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 34, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 34, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Chun Oakland).

Water and Land  
Ayes, 6; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Galuteria, Shimabukuro, Taniguchi).

**SCRep. 3194 (Joint) Energy and Environment and Water and Land on S.C.R. No. 69**

The purpose and intent of this measure is to endorse and support the Aloha+ Challenge to achieve ambitious targets related to clean energy, local food, natural resource management, waste reduction, smart sustainable communities, and green workforce by 2030.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Department of Health; Department of Agriculture; Office of Hawaiian Affairs; Office of Planning; State Sustainability Coordinator; County of Kauai Office of Economic Development; Hawaii Energy Policy Forum; Hawaii Green Growth; The Nature Conservancy; Ulupono Initiative; The Sky Ohana; Enterprise Honolulu; and fifteen individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from one individual.

Your Committees find that Hawaii exemplifies the urgent need for action on the global challenge to build more sustainable economies, as Hawaii's people depend on imports for roughly 95 percent of their energy and 85 percent of their food, at an estimated annual cost of more than \$8,000,000,000.

Your Committees further find that drawing from experience from other international commitments, key elements for an Aloha+ Challenge: A Culture of Sustainability – He Nohona ‘Ae‘oia have been outlined, with principles and targets based on current state priorities and policies, including:

- (1) Respecting the culture, character, beauty, and history of the State’s island communities;
- (2) Striking a balance between economic, social, community, and environmental priorities;
- (3) Meeting the needs of the present without compromising the ability of future generations to meet their own needs; and
- (4) Addressing the impacts of climate change and increasing climate change resilience.

Leadership and support by the Legislature is critical for the success of implementing the Aloha+ Challenge. Your Committees note that a statewide commitment to the Aloha+ Challenge should also help to promote education for sustainable development for youth and Hawaiian values.

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 Energy and Environment and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 69, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 69, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Chun Oakland).

Water and Land

Ayes, 6; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Galuteria, Shimabukuro, Taniguchi).

**SCRep. 3195 (Joint) Higher Education and Hawaiian Affairs and Health on S.R. No. 60**

The purpose and intent of this measure is to request the University of Hawaii John A. Burns School of Medicine to establish a Native Hawaiian Health Task Force.

Your Committees received testimony in support of this measure from the Department of Health, University of Hawai‘i John A. Burns School of Medicine, Office of Hawaiian Affairs, The Queen’s Health Systems, Association of Hawaiian Civic Clubs, Waimānalo Health Center, ‘Aha Kāne Foundation for the Advancement of Native Hawaiian Males, and eighteen individuals. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committees find that the University of Hawaii John A. Burns School of Medicine’s Department of Native Hawaiian Health recently completed a two-year study entitled “Assessment and Priorities for Health and Well-Being in Native Hawaiians and Other Pacific Peoples”. The results of this study were presented to a joint legislative committee on September 23, 2013, along with recommendations and priorities to improve the health and well-being of the State’s indigenous and Pacific Islander populations. The study also detailed successful programs that have led to reduced risk factors for diabetes, heart disease, and stroke, and these programs include weight and blood pressure management.

Your Committees further find that it is necessary to address the findings and recommendations of the Department of Native Hawaiian Health’s study by creating a task force to formulate policies and procedures to eliminate the disproportionate impact of the social determinants of health and chronic disease on all individuals, with particular focus on Native Hawaiians and other Pacific peoples. This measure requests the University of Hawaii John A. Burns School of Medicine to establish a Native Hawaiian Health Task Force to examine these issues.

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 Higher Education, Hawaiian Affairs, and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 60, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 60, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Slom).

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

Health

Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 3196 (Joint) Higher Education and Hawaiian Affairs and Health on S.C.R. No. 114**

The purpose and intent of this measure is to request the University of Hawaii John A. Burns School of Medicine to establish a Native Hawaiian Health Task Force.

Your Committees received testimony in support of this measure from the Department of Health, University of Hawai‘i John A. Burns School of Medicine, Office of Hawaiian Affairs, The Queen’s Health Systems, Association of Hawaiian Civic Clubs,

Waimānalo Health Center, 'Aha Kāne Foundation for the Advancement of Native Hawaiian Males, and eighteen individuals. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committees find that the University of Hawaii John A. Burns School of Medicine's Department of Native Hawaiian Health recently completed a two-year study entitled "Assessment and Priorities for Health and Well-Being in Native Hawaiians and Other Pacific Peoples". The results of this study were presented to a joint legislative committee on September 23, 2013, along with recommendations and priorities to improve the health and well-being of the State's indigenous and Pacific Islander populations. The study also detailed successful programs that have led to reduced risk factors for diabetes, heart disease, and stroke, and these programs include weight and blood pressure management.

Your Committees further find that it is necessary to address the findings and recommendations of the Department of Native Hawaiian Health's study by creating a task force to formulate policies and procedures to eliminate the disproportionate impact of the social determinants of health and chronic disease on all individuals, with particular focus on Native Hawaiians and other Pacific peoples. This measure requests the University of Hawaii John A. Burns School of Medicine to establish a Native Hawaiian Health Task Force to examine these issues.

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 Higher Education, Hawaiian Affairs, and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 114, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 114, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Slom).

Hawaiian Affairs

Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

Health

Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 3197 Ways and Means on S.C.R. No. 118**

The purpose and intent of this measure is to request information on the Department of Hawaiian Home Lands' residential rental property development policies.

Specifically, the measure urges the Department of Hawaiian Home Lands to:

- (1) Submit a report to the Legislature regarding its policy to develop rental properties for occupancy by its beneficiaries; and
- (2) Ensure that its beneficiaries will not lose their place on the homestead waitlist while residing in a Department of Hawaiian Home Lands' rental.

Your Committee received written comments in support of this measure from the Sovereign Councils of the Hawaiian Homelands Assembly and one individual. Written comments in opposition were received from one individual. The Department of Hawaiian Home Lands submitted written comments on the measure.

Your Committee finds that, as of September 11, 2012, there were 26,550 individual applicants on the Department of Hawaiian Home Lands' waitlist for homestead leases. Many beneficiaries of the Department of Hawaiian Home Lands must first establish credit before they are able to qualify for a mortgage on a homestead lease. Your Committee also finds that, in its audit of the Department of Hawaiian Home Lands' Homestead Services Division, the Auditor reported that the Department of Hawaiian Home Lands had a significant amount of defaulted mortgage loans, with a delinquency rate of almost thirty-two percent, at the end of fiscal year 2012. Your Committee believes that the Department of Hawaiian Home Lands could increase its potential for returns by developing a rental property program for occupancy by its beneficiaries.

As 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. 118 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3198 Ways and Means on S.C.R. No. 97**

The purpose and intent of this measure is to promote safe food handling practices to protect the public health and facilitate such practices in the State's growing cottage food industry.

Specifically, this measure requests the Department of Health to:

- (1) Provide food safety workshops or classes for all persons who have temporary food establishment permits approved by the Department on all islands where such persons reside;
- (2) Provide copies of title 11, chapter 50, Hawaii Administrative Rules, relating to the Food Safety Code, to consumers and interested cottage food industry stakeholders;

- (3) Convene a cottage food business working group, composed of representatives from the Department of Health and the cottage food industry, to examine title 11, chapter 50, Hawaii Administrative Rules, to consider issues related to the cottage food industry; and
- (4) Submit a report of the working group's findings, recommendations, and any proposed legislation to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation and Local Food Coalition. Written comments in opposition were received from the Department of Health.

Your Committee finds that, in recent years, as the local food movement has become more popular, more states have focused on developing cottage food laws that allow home food businesses to exist legally. Your Committee also finds that temporary food establishment permits issued by the Department of Health allow cottage food businesses to vend products produced in a home kitchen directly to consumers at bake sales, food swaps, farm stands, or farmers' markets. Your Committee further finds that food safety workshops or classes available on all islands would be beneficial to home cooks who wish to grow their cottage food businesses. Your Committee believes that this measure will be beneficial to both public health and the state economy.

As 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. 97, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3199 Ways and Means on S.C.R. No. 35**

The purpose and intent of this measure is to request the Auditor to conduct an impact assessment report of the social and financial impacts of mandating infertility procedure coverage for all individual and group accident and health or sickness insurance policies that provide pregnancy-related benefits, as provided in S.B. No. 2909, S.D. 1, of the Regular Session of 2014.

More specifically, this measure requests the Auditor to examine the impacts of mandating a benefit of three in vitro fertilization cycles or a live birth for all outpatient expenses arising from in vitro fertilization procedures performed on the insured or insured's dependent, effective July 1, 2014.

No written comments on the measure were received by your Committee.

Your Committee finds that in the nearly twenty-five years since the enactment of the law that requires coverage of in vitro fertilization, there have been substantial changes and improvements in assisted reproductive technologies that could provide couples in Hawaii with additional treatment options appropriate for their specific infertility diagnosis.

As 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, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3200 Ways and Means on S.C.R. No. 34**

The purpose and intent of this measure is to request the Auditor to conduct an impact assessment report of the social and financial impacts of mandating coverage for hearing aids by health insurers and like entities, as proposed in S.B. No. 309, S.D. 1, from the Regular Session of 2013.

No written comments on this measure were received by your Committee.

Your Committee finds that mandatory health insurance coverage for hearing aids would substantially assist persons who are deaf or hard of hearing to function effectively in 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 concurs with the intent and purpose of S.C.R. No. 34, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3201 (Joint) Energy and Environment and Health on S.C.R. No. 73**

The purpose and intent of this measure is to request the Director of Health to convene a task force to study the effects of the January 2014 fuel tank leak at the Red Hill underground fuel storage facility.

Your Committees received testimony in support of this measure from the Department of Health, Board of Water Supply, and two individuals.

Your Committees find that the Red Hill underground fuel storage facility is located near Pearl Harbor and operated by the United States Navy. The facility contains twenty cylindrical tanks, each of which can hold up to 12,500,000 gallons of fuel, and continues to provide secure fuel storage for ships and aircraft of the United States Pacific Fleet and other military services.

Your Committees further find that in January of 2014, fuel operators at Red Hill discovered a discrepancy in the fuel level in one of the tanks, specifically tank number five. It has been reported that the age of the facility and the mission-critical requirements for its storage capacity combine to present a significant future risk of a moderate to large release of fuel to the underlying ground water. Your Committees therefore conclude that the effects of the January 2014 leak should be studied, strategies should be formulated to mitigate

the effects of future leaks, and recommendations should be made regarding improvements in communication in the event of future leaks.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health 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.

Energy and Environment

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

Health

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3202 Ways and Means on H.B. No. 2333**

The purpose and intent of this measure is to promote nationally recognized best practices in the statewide, integrated sex offender treatment program.

Specifically, the measure:

- (1) Broadens the scope of the program to include the development and implementation of standards and guidelines for the assessment, evaluation, treatment, and supervision of adult sex offenders; and
- (2) Designates the coordinating body of the program as the “adult sex offender management team.”

Your Committee received written comments in support of this measure from the Department of Public Safety.

Your Committee finds that the complex nature of sex crimes and the extreme emotional and physical harm they inflict on victims necessitates implementation of a statewide, integrated sex offender treatment program that is based upon nationally recognized best practices for sex offender management.

Your Committee has amended this measure by:

- (1) Making a conforming amendment to the title of chapter 353E, Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2333, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2333, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 3203 Ways and Means on H.B. No. 2304**

The purpose and intent of this measure is to reduce, from twenty-one to eleven, the number of members on the neurotrauma advisory board and to authorize the Director of Health to appoint up to three ex officio state and county nonvoting members.

No comments were submitted on this measure.

Your Committee finds that the smaller number of members will allow the board to achieve a quorum on a regular basis and improve the effectiveness of the board in assisting the Department of Health to meet its legislative charge.

Your Committee notes that while this measure does not establish a transition plan for the reduction in the size of the advisory board, your Committee believes that the Governor will be able to make the determination and can report to Legislature prior to the convening of the Regular Session of 2015 explaining how this measure was implemented.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2304, 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. 2304, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 3204 (Majority) Ways and Means on H.B. No. 2276**

The purpose and intent of this measure is to establish an early childhood education program within the Early Learning System established under section 302L-2, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Department of Human Services; the Department of Public Safety; the Executive Office on Early Learning; the Interim Executive Vice President for Academic Affairs of the University of Hawaii; Early Learning Advisory Board; The Chamber of Commerce of Hawaii; Hui for Excellence in Education; Good Beginnings

Alliance; Kamehameha Schools; Hawaii Association for Education of Young Children; Aloha United Way; Hawaii Association of Independent Schools; PHOCUSED; Aha Punana Leo; and six individuals. Written comments in opposition were received from the Hawaii State Teachers Association.

Your Committee finds that a child's environment and experiences during their formative years have a significant impact on their later success in school and in life. Research has consistently shown that children who receive a high-quality early childhood education go on to attain higher levels of education and have higher rates of graduation than children who do not receive any type of early childhood education. Furthermore, early childhood education programs provide equal access to education for children from diverse socioeconomic backgrounds.

Your Committee believes that it is critical to children's well-being that they be provided with the necessary resources and skill sets to prepare them for kindergarten. Improving children's access to early educational opportunities will also help Hawaii's educational system meet national standards to remain eligible for federal grants and subsidies. Accordingly, your Committee finds that a state early childhood education program will provide uniform access to academically enriched programs for children preparing to enter kindergarten and significant benefits for children's families and the community.

Your Committee has amended this measure by:

- (1) Inserting a definition for the term "underserved children";
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes 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 H.B. No. 2276, 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. 2276, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Kouchi, Ruderman).

**SCRep. 3205 Ways and Means on H.B. No. 2273**

The purpose and intent of this measure is to broaden the range of entities, educational institutions, and organizations that may enter into agreements with the Motor Vehicle Repair Industry Board to develop and administer the certification program for motor vehicle mechanics.

Your Committee received written comments in support of this measure from the Motor Vehicle Repair Industry Board.

Your Committee finds that the present law, which requires the board to contract solely with the University of Hawaii, to develop and administer the certification program, has outlived its useful purpose and is no longer necessary. Presently, the National Institute Automotive Service Excellence has become widely accepted and recognized as the standard industry credential for motor vehicle mechanics.

Your Committee has amended this measure by:

- (1) Restoring language that authorizes the board to develop and administer a certification program;
- (2) Clarifying that the board has the flexibility to either approve or enter into a written agreement with an entity, educational institution, or other organization to design or procure the certificate or patch that is provided to persons who successfully complete the certification program;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) 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. 2273, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2273, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 3206 (Majority) Ways and Means on H.B. No. 2257**

The purpose and intent of this measure is to adjust the salary cap of the Superintendent of Education.

In addition, this measure subjects the Superintendent to an annual performance evaluation based on outcomes determined by the Board of Education.

Your Committee received written comments in support of this measure from the Hui for Excellence in Education and the Hawaii Association of Independent Schools.

Your Committee finds that the salary of the Superintendent of Education has not been adjusted since 2000 and that the current salary of the Superintendent of Education is well below the national average for superintendents of similarly sized school districts. An adjustment in the salary cap of the Superintendent will not only adequately compensate the Superintendent for meeting the rigorous demands of the position but will also reflect the State's commitment to the value of education. Your Committee finds that the implementation and administration of a child's education is a vital public interest and that this measure will help to attract and retain the most qualified and capable individuals for the position of Superintendent, as well as make us competitive with our mainland counterparts.



Your Committee has amended this measure by changing the salary cap of the Superintendent of Education to an unspecified amount to facilitate further discussion on the measure.

Your Committee notes that the Board of Education should continue to use evaluation criteria, especially student achievement criteria, to determine whether the Superintendent of Education deserves a raise. Your Committee recognizes that the Board of Education needs flexibility in establishing the evaluation criteria, but believes that at least one criterion should be student achievement. While it is your Committee's intent that student achievement be included as one criterion for evaluation, this intent should not be construed as limiting evaluative criteria only to student achievement.

As affirmed by the record of votes of the members 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. 2257, 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. 2257, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 3207 Ways and Means on H.B. No. 2253**

The purpose and intent of this measure is to expand funding sources to support the Hawaii Film Studio, the Hawaii Film Office, and film and digital media industry development programs and initiatives within the Department of Business, Economic Development, and Tourism.

The measure also:

- (1) Repeals the Hawaii Television and Film Development Board;
- (2) Establishes a creative film and media park; and
- (3) Appropriates an unspecified sum for the establishment of a creative film and media park.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; and the University of Hawaii at West Oahu. Written comments in opposition were received from the Department of Land and Natural Resources. The High Technology Development Corporation submitted written comments on the measure.

Your Committee finds that Hawaii's film industry generates an estimated \$250,000,000 in production revenues per year, providing the State with an estimated economic impact of more than \$400,000,000 annually. Your Committee believes that this measure will provide a necessary funding mechanism for the ongoing repair and maintenance of the Hawaii Film Studio. Your Committee also believes that establishing a creative film and digital media park will facilitate economic growth of the creative film and digital media industry by locating film and digital media entities in a designated geographic hub.

Your Committee has amended this measure by:

- (1) Changing references to "media" in part II of the measure to "digital media"; 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 H.B. No. 2253, 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. 2253, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Kouchi).

**SCRep. 3208 Ways and Means on H.B. No. 2224**

The purpose and intent of this measure is to require the Department of Health to establish a voluntary clean and sober homes registry to assist persons recovering from substance abuse to have a safe, clean, and sober environment that supports their recovery.

The measure also:

- (1) Amends the county zoning statute to better align functions of state and county jurisdictions with federal law with regard to housing for persons with disabilities; and
- (2) Appropriates an unspecified amount for staffing and operating costs to plan, establish, and operate the registry of clean and sober homes.

Your Committee received written comments in support of this measure from the Department of Health and the Hawaii Substance Abuse Coalition.

Your Committee finds that clean and sober homes allow individuals to return to the community through support in an alcohol- and drug-free, home-like environment, without the rigid structure of a therapeutic living program. Your Committee further finds that neighboring residents have expressed concerns regarding the legality of the operation of clean and sober homes in their immediate vicinity and the poor conduct of some residents of the clean and sober homes. Your Committee believes that this measure will balance the needs of those requiring the support of clean and sober homes and the concerns of community members where those homes are located.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2014, to July 1, 2050, to facilitate further discussion on the measure; and

(2) Making technical nonsubstantive changes 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 H.B. No. 2224, 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. 2224, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Kahele).

**SCRep. 3209 Ways and Means on H.B. No. 2251**

The purpose and intent of this measure is to ensure that the Housing Loan and Mortgage Program, commonly known as the Hula Mae Multifamily Revenue Bond Program, can continue to finance the development and preservation of affordable rental housing in future years by increasing the Hula Mae Multifamily Revenue Bond Program authorization limit from \$750,000,000 to \$1,000,000,000.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the lack of affordable housing continues to be one of the State's most significant and challenging social problems and is a critical issue for many Hawaii residents. Your Committee further finds that the Housing Loan and Mortgage Program, commonly known as the Hula Mae Multifamily Revenue Bond Program, is an effective and widely used financing tool for the development and preservation of affordable rental housing. Your Committee believes that increasing the Housing Loan and Mortgage Program revenue bond authority limit will further promote the development and rehabilitation of affordable rental housing projects and offer many Hawaii homebuyers the opportunity to own their own home.

Your Committee has amended this measure by changing the proposed Hula Mae Multifamily Program revenue bond authorization limit from \$1,000,000,000 to an unspecified amount 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. 2251, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2251, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 3210 Ways and Means on H.B. No. 2217**

The purpose and intent of this measure is to authorize the Department of Labor and Industrial Relations to establish workforce development working groups and develop training programs and to appropriate funds for this purpose.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, The Chamber of Commerce of Hawaii, the Hawaii Farm Bureau Federation, the Hawaii Primary Care Association, and one individual.

Your Committee finds that it is important for Hawaii to focus its efforts in developing training programs to support the workforce. Your Committee believes that a strong workforce is necessary to strengthen Hawaii's economy. Investing in Hawaii's human resources will bring outside development and attract foreign industries to Hawaii and ensure the continuation of these new investments through a supply of educated workers who are well-equipped to fulfill a variety of positions.

Your Committee has amended this measure by clarifying that the department's duty to include certain types of representatives on the working groups is triggered by the department exercising its authority to establish the working groups.

As affirmed by the record of votes of the members 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. 2217, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2217, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 3211 Ways and Means on H.B. No. 2213**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist the West Maui Hospital and Medical Center Foundation, Inc., in establishing a hospital in West Maui.

Your Committee received written comments in support of this measure from the Mayor of the County of Maui. The Department of Budget and Finance submitted written comments on the measure.

Your Committee finds that lengthy travel times between West Maui and the Maui Memorial Medical Center in Central Maui can be very critical in emergency situations. This measure will ensure that the growing population of West Maui, and other residents and visitors, have timely access to emergency medical care in West Maui.

Your Committee has amended this measure by changing a reference from "West Maui Hospital and Medical Center Foundation, Inc." to "West Maui Hospital Foundation, Inc."

As affirmed by the record of votes of the members 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. 2213, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2213, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 3212      Ways and Means on H.B. No. 2188**

The purpose and intent of this measure is to repeal the Waialua loan and subsidy program, Kikala-Keokea housing revolving fund, and Kikala-Keokea infrastructure development fund.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation and the Department of Land and Natural Resources.

Your Committee finds that this measure will repeal certain funds and programs that have served their intended purpose and are no longer functional or necessary. Your Committee also finds that the State will be served more effectively if any moneys remaining in the Waialua loan and subsidy program, Kikala-Keokea housing revolving fund, and Kikala-Keokea infrastructure development fund are deposited into an active fund or to the credit of the general fund of the State.

Your Committee has amended this measure by:

- (1) Changing an erroneous reference from “section 171-91.5” to “section 171-19.5”;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making a technical nonsubstantive amendment 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. 2188, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2188, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 3213      Ways and Means on H.B. No. 2115**

The purpose and intent of this measure is to require Med-QUEST and medicaid coverage for chiropractic care, limited to twenty-four visits per calendar year, and to appropriate funds to the Department of Human Services to implement the requirement.

Your Committee received written comments in support of this measure from the Hawaii State Chiropractic Association, Hawaii Primary Care Association, Klein Chiropractic Center, and twelve individuals. Your Committee received written comments on this measure from the Department of Human Services and one individual.

Your Committee finds that the State’s medicaid program already covers chiropractic care for individuals under twenty-one years of age with no limits, provided that there is medical necessity. Your Committee further finds that the need for chiropractic treatments is not unique to youth, and adults deserve the same choice and access to chiropractic care.

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 H.B. No. 2115, 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. 2115, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 3214      Ways and Means on H.B. No. 2150**

The purpose and intent of this measure is to provide funding for the Pacific International Space Center for Exploration Systems’ planetary sustainability technologies initiative.

Your Committee received testimony in support of this measure from an Apollo XI Astronaut; JAMSS America Inc.; the National Aeronautics and Space Administration; the University of Hawaii at Hilo; a former Governor of Hawaii; a retired NASA officer; the Department of Business, Economic Development and Tourism; Ferraro Choi and Associates; Near Earth LLC; Paragon Space Development Corporation; Shackleton Energy Company; Pacific International Space Center for Exploration Systems; International Ventures Associates; and three individuals.

Your Committee feels that the technology supported by this measure will be beneficial to Hawaii, including technology in the areas of renewable energy, construction materials, and water reutilization. Your Committee finds that the funds will promote science, technology, engineering, and math initiatives to increase high-paying job opportunities and help to diversify the Hawaii economy.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2150, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2150, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahale, Kouchi).

**SCRep. 3215      Ways and Means on H.B. No. 2170**

The purpose and intent of this measure is to encourage new hotel construction.

More specifically, this measure establishes a nonrefundable income tax credit for costs incurred in new hotel construction.

Your Committee received written comments in support of this measure from the Hawaii Tourism Authority, Hawaii Lodging and Tourism Association, Maui Hotel and Lodging Association, and Wyndham Vacation Ownership. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that tourism is Hawaii's principal industry and contributes significantly to the state economy. Your Committee also finds that Hawaii must revitalize its aging hotel and resort infrastructure in order to remain competitive as a viable travel and tourist destination. Your Committee believes that this measure will provide an incentive for the private sector to invest in new hotel construction.

Your Committee has amended this measure by:

- (1) Authorizing unused tax credits to be carried forward;
- (2) Clarifying that the tax credit may only be claimed for new construction costs, rather than renovation costs;
- (3) Clarifying the certification process for tax credit claims; and
- (4) 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 H.B. No. 2170, 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. 2170, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3216 (Joint) Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on S.R. No. 30**

The purpose and intent of this measure is to encourage female members of the United States Senate to reform military investigatory and prosecutorial systems governing sexual assaults.

Your Committees received testimony in support of this measure from the State Office of Veterans Services, Planned Parenthood of Hawaii, and one individual.

Your Committees find that sexual assault within the military ranks is increasingly coming under scrutiny as victims and lawmakers call for action and transparency. The United States Department of Labor reports that between twenty and forty-eight percent of female veterans were sexually assaulted in the military, and more women leave the military with post-traumatic stress disorder from rape than from combat. Victims of military sexual assault express a fear of reporting due to the military chain of command's current sole decision-making power over whether a case moves forward to trial. Several female members of the United States Senate have proposed legislation that addresses sexual assault in the military, and your Committees encourage these Senators to continue their efforts to bring to fruition reforms to provide a safer environment for service members.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 30 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Judiciary and Labor

Ayes, 7; Ayes with Reservations (Gabbard, Galuteria, Hee, Ihara, Shimabukuro, Solomon, Slom). Noes, none. Excused, none.

**SCRep. 3217 (Joint) Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on S.C.R. No. 63**

The purpose and intent of this measure is to encourage female members of the United States Senate to reform military investigatory and prosecutorial systems governing sexual assaults.

Your Committees received testimony in support of this measure from the State Office of Veterans Services, Planned Parenthood of Hawaii, and one individual.

Your Committees find that sexual assault within the military ranks is increasingly coming under scrutiny as victims and lawmakers call for action and transparency. The United States Department of Labor reports that between twenty and forty-eight percent of female veterans were sexually assaulted in the military, and more women leave the military with post-traumatic stress disorder from rape than from combat. Victims of military sexual assault express a fear of reporting due to the military chain of command's current sole decision-making power over whether a case moves forward to trial. Several female members of the United States Senate have proposed legislation that addresses sexual assault in the military, and your Committees encourage these Senators to continue their efforts to bring to fruition reforms to provide a safer environment for service members.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 63 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Judiciary and Labor

Ayes, 7; Ayes with Reservations (Gabbard, Galuteria, Hee, Ihara, Shimabukuro, Solomon, Slom). Noes, none. Excused, none.

**SCRep. 3218 (Joint) Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on S.C.R. No. 62**

The purpose and intent of this measure is to urge Congress to enact reforms addressing sexual harassment and assault in the United States Armed Forces.

Your Committees received testimony in support of this measure from Planned Parenthood of Hawaii and one individual.

Your Committees find that despite the “zero tolerance” sexual harassment and assault policy that has been implemented by military leadership for the past twenty-five years, frequent acts of sexual harassment and assault continue in all branches of the military. According to the Department of Defense Annual Report on Sexual Assault in the Military, in 2012 there were approximately 26,000 occurrences of rape or unwanted sexual assault in the military, yet only 3,374 of these incidents were reported. Several bills have been introduced in Congress to address the epidemic of sexual harassment and assault in the military. It is imperative that the military justice system be reformed to address sexual harassment and assault in the United States Armed Forces and to ensure the well-being of military service members.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 62 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Judiciary and Labor  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 3219 Ways and Means on S.C.R. No. 57**

The purpose and intent of this measure is to express the Legislature’s support for a bid to the Council of Pacific Arts and Culture for Hawaii to host the 2020 Festival of Pacific Arts.

In addition, this measure provides for the formation of an exploratory committee to submit the bid proposal.

Your Committee received written comments in support of this measure from the State Foundation on Culture and the Arts and one individual.

Your Committee finds that it is fitting that the State express its intention and support for hosting the 2020 Festival of Pacific Arts due to our unique island heritage and cultural values. Your Committee further finds that this bid to showcase our traditional Hawaiian culture to the world will benefit Hawaii’s economy and 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 concurs with the intent and purpose of S.C.R. No. 57 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3220 Ways and Means on S.C.R. No. 48**

The purpose and intent of this measure is to request the Auditor to conduct a sunrise analysis of the probable effects of regulating clean and sober homes as proposed under S.B. No. 2587 from the Regular Session of 2014.

More specifically, this measure requests the Auditor to study the probable effects of implementing the recommendations of the Clean and Sober Homes and Halfway Houses task force.

No written comments were received by your Committee.

Your Committee finds that the licensing and regulation of clean and sober homes may substantially improve standards for clean and sober homes and halfway houses.

As 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. 48 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3221 Ways and Means on S.C.R. No. 20**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands for the maintenance and repair of the existing seawall and concrete footing, and for the use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that an existing seawall and concrete footing were placed on state submerged lands fronting the property identified as Tax Map Key: (1) 6-8-010: seaward of 021, Mokuleia, Waialua, Oahu. Your Committee recognizes that the current

owner has worked with the Department of Land and Natural Resources to resolve the encroachment of the existing seawall and concrete footing on state submerged lands. Your Committee further finds that the Board of Land and Natural Resources has approved the issuance of a fifty-five year, non-exclusive easement to resolve the encroachments.

Section 171-53, Hawaii Revised Statutes, requires the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution for the disposition of state submerged lands. Accordingly, your Committee finds that this concurrent resolution is in compliance with the statutory requirements.

As 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. 20 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3222 Ways and Means on S.C.R. No. 21**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Kūaloa, Koolāupoko, Oahu, for the maintenance and repair of the existing seawall and steps, for the use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that an existing seawall and steps were placed on state submerged lands fronting property identified as Tax Map Key: (1) 4-9-009: seaward of 005, Kūaloa, Koolāupoko, Oahu. Your Committee recognizes that the current property owner of the property has worked with the Department of Land and Natural Resources to resolve the encroachment of the seawall and steps on state submerged land. Your Committee further finds that the Board of Land and Natural Resources approved the issuance of a fifty-five-year, non-exclusive easement to resolve the encroachments.

Section 171-53, Hawaii Revised Statutes, requires the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution for the disposition of state submerged lands. Accordingly, your Committee finds that this concurrent resolution is in compliance with the statutory requirements.

As 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. 21 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3223 Ways and Means on S.C.R. No. 24**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement for an existing seawall that was placed on state submerged lands at Kaneohe, Koolāupoko, Oahu for the maintenance and repair of the existing seawall, and for the use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that the current owner of the abutting property has worked with the Department of Land and Natural Resources to resolve the encroachment of the seawall on the state submerged lands fronting the property identified as Tax Map Key: (1) 4-4-018: seaward of 069, located in Kaneohe, Koolāupoko, Oahu. Your Committee further finds that this easement is necessary to ensure the proper maintenance and repair of the existing seawall. Section 171-53, Hawaii Revised Statutes, requires the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution for the disposition of state submerged lands. Accordingly, your Committee finds that this concurrent resolution is in compliance with the statutory requirements.

As 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. 24 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3224 Ways and Means on S.C.R. No. 122**

The purpose and intent of this measure is to request the Department of Transportation to take certain actions regarding vehicle safety inspection decals.

Specifically, the measure requests the Department to correct the defects of the decals and to develop protocols that will ensure quality control standards of its programs.

The Department of Transportation submitted written comments on the measure.

Your Committee finds that the current vehicle safety inspection decals can easily be altered to change or erase expiration dates, making it difficult for law enforcement to enforce chapter 286, Hawaii Revised Statutes, which requires an annual vehicle safety inspection. Your Committee further finds that the Department of Transportation should develop or implement a procedure to ensure that quality control standards are satisfied.

As 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. 122 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3225 Ways and Means on S.C.R. No. 128**

The purpose and intent of this measure is to establish a plan to provide a highly skilled workforce to meet high technology industry demands in the State.

Specifically, the measure requests that the University of Hawaii establish a task force to:

- (1) Develop a plan to increase the number of students majoring in science, technology, engineering, and mathematics majors relevant to Hawaii industry demands;
- (2) Determine current initiatives that impact the readiness of students in the science, technology, engineering, and mathematics majors, and recommend solutions to increase student preparedness;
- (3) Explore and identify workforce trends in the science, technology, engineering, and mathematics fields; and
- (4) Request the task force to submit a report to the Legislature of its findings, recommendations, plan, and any proposed legislation.

Your Committee received written comments in support of this measure from the University of Hawaii and Hawaii P-20 Partnerships for Education.

Your Committee believes that the promotion of science, technology, engineering, and mathematics education in Hawaii lacks coordination and, as a result, efforts are often duplicated, creating many inefficiencies. Your Committee finds that a task force consisting of various stakeholders will help to address inefficiencies and increase the preparation and number of students in the fields of science, technology, engineering, and mathematics.

As 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. 128, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3226 Ways and Means on S.C.R. No. 12**

The purpose and intent of this measure is to authorize the issuance of a lease and easement of certain submerged lands at Manele Bay, Lana'i to Lana'i Resorts, LLC.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources and Pulama Lanai.

Your Committee finds that a single floating and loading dock to be constructed and installed by the Division of Boating and Ocean Recreation and financed by Lana'i Resorts would provide a much needed area for commercial boating activities for Lana'i Resorts, Expeditions Ferry Service, and Trilogy Excursions. Section 171-53, Hawaii Revised Statutes, requires the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution for the disposition of state submerged lands. Accordingly, your Committee finds that this concurrent resolution is in compliance with the statutory requirements.

As 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. 12 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kidani).

**SCRep. 3227 Ways and Means on S.C.R. No. 16**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement by the Board of Land and Natural Resources covering a portion of state submerged lands at Heeia, Koolaupoko, Oahu, for the maintenance and repair of the existing pier, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution for the disposition of state submerged lands. Your Committee also finds that around 2012, the Department of Land and Natural Resources worked with the current owners of the abutting property to resolve the encroachment of a pier on state submerged lands fronting the property identified as Tax Map Key: (1) 4-6-001: seaward of 014, at Heeia, Koolaupoko, Oahu. On September 10, 2012, the Department's Office of Conservation and Coastal Lands determined the non-conforming status of the existing pier. At its meeting on December 14, 2012, under agenda item D-13, the Board of Land and Natural Resources approved the issuance of a fifty-five-year non-exclusive easement to resolve the encroachment.

As 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. 16 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3228 Ways and Means on S.C.R. No. 19**

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged lands at Kahaluu, Koolaupoko, Oahu for the maintenance and repair of an existing landscaped area, concrete wall, and footing, and for the use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

The existing landscaping area, concrete wall, and footing were placed on state submerged lands fronting the property identified as Tax Map Key: (1) 4-7-019: seaward of 078, Kahaluu, Koolaupoko, Oahu, and predated the establishment of the Conservation District. Your Committee finds that, around 2012, the Department of Land and Natural Resources worked with owners of the abutting property to resolve the encroachment. Your Committee further finds that the landscaping area, concrete wall, and footing were found to be encroaching on state lands located makai of the shoreline, and this area should be considered as submerged lands. Your Committee finds that on December 14, 2012, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachment.

Section 171-53, Hawaii Revised Statutes, requires the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution for the disposition of state submerged lands. Accordingly, your Committee finds that this concurrent resolution is in compliance with the statutory requirements.

As 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. 19 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3229 (Joint) Education and Public Safety, Intergovernmental and Military Affairs and Water and Land on S.C.R. No. 113**

The purpose and intent of this measure is to authorize the issuance of a term, nonexclusive easement for seawall purposes for the property identified as tax map key (1) 6-8-010: seaward of 014, at Mokuleia, Waialua, Oahu, Hawaii.

Your Committee on Water and Land received testimony in support of this measure from the Department of Land and Natural Resources.

Prior to the hearing on this measure, a proposed S.D.1 was prepared and made available for public review.

The proposed S.D.1 amended this measure by:

- (1) Deleting its contents;
- (2) Inserting language describing flooding issues at Kahuku High and Intermediate School (Kahuku High) and the damage caused to Kahuku High's track and field;
- (3) Inserting language requesting the Department of Education, Department of Land and Natural Resources, City and County of Honolulu, and the United States Army Corps of Engineers to convene a working group to examine possible long-term solutions to the flooding issues at Kahuku High;
- (4) Inserting language requesting that the working group include representatives from the Castle-Kahuku Complex Area and the community;
- (5) Inserting language requesting the working group to consider the possibility of relocating Kahuku High's track and field;
- (6) Inserting language requesting the Department of Education to report the working group's findings and recommendations, including any proposed legislation, an estimated timeline, and estimated costs, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015; and
- (7) Inserting language requesting copies of this measure be transmitted to the Superintendent of Education, Chairperson of the Board of Land and Natural Resources, Mayor of the City and County of Honolulu, and Commander and District Engineer of the United States Army Corps of Engineers Honolulu District.

Your Committees received testimony in support of this measure from the Department of Education, Department of Land and Natural Resources, and fifteen individuals. Your Committees also received two petitions in support of this measure with a total of seven hundred eighty-five signatures.

Your Committees find that the track and field at Kahuku High is located in a flood zone, at the lowest point in Kahuku. The flooding of Kahuku High's track and field has caused damage to the track and field's bleachers and locker rooms, among other things. Long-term solutions are necessary to ensure that the track and field are safe for use by students and the community.

Your Committees have amended this measure by adopting the language in the proposed S.D. 1.

As affirmed by the records of votes of the members of your Committees on Education, Public Safety, Intergovernmental and Military Affairs, and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 113, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 113, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Education  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

Water and Land  
Ayes, 7. Noes, none. Excused, 2 (Dela Cruz, Ihara).



**SCRep. 3230 (Joint/Majority) Water and Land and Public Safety, Intergovernmental and Military Affairs and Ways and Means on S.C.R. No. 145**

The purpose and intent of this measure is to encourage water conservation by consumers and businesses and initiatives to incentivize and educate consumers and businesses about water conservation efforts.

Your Committees did not receive any testimony on this measure.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which urges the Department of Land and Natural Resources to affirm its commitment to make the State the lead in the conservation, management, and protection of Hawaii's natural resources and to resist efforts by the federal government to expand federal jurisdiction over Hawaii's natural resources in the designation of critical habitats, expansion of current co-manager relationships, or creation of new co-manager relationships.

Your Committees received testimony in support of the proposed S.D. 1 from two individuals. Your Committees received testimony in opposition to the proposed S.D. 1 from one individual. Your Committees received comments on the proposed S.D. 1 from the Department of Land and Natural Resources.

Your Committees find that among the most significant of Hawaii's natural resources are the upland rainforests, which are the watersheds that feed underground water systems that are tapped via wells to provide the freshwater essential for all life and the streams, forests, brush, and grasslands that support valuable and irreplaceable natural ecosystems of endemic plants, fish, and wildlife found nowhere else on Earth.

The mission of the Department of Land and Natural Resources is to enhance, protect, conserve, and manage Hawaii's unique and limited natural, cultural, and historic resources held in public trust for current and future generations of the people of Hawaii and its visitors, in partnership with others from the public and private sectors. The Department of Land and Natural Resources is responsible for managing, administering, and exercising control over public lands, water resources, certain ocean waters, navigable streams, coastal areas (except commercial harbors), minerals, and all interests therein.

Your Committees further find that the State has a partnership relationship with the federal government in the regulation of natural resources, as many federal laws affect natural resources. However, you Committees believe that the lead in the conservation, management, and protection of Hawaii's natural resources should be the State, and that as much as possible, Hawaii's laws should be the primary laws used for the conservation, management, and protection of Hawaii's natural resources.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the 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 Water and Land, Public Safety, Intergovernmental and Military Affairs, and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 145, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 145, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4. Noes, 1 (Ruderman). Excused, 4 (Dela Cruz, Galuteria, Ihara, Taniguchi).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Ways and Means

Ayes, 9. Noes, 1 (Ruderman). Excused, 3 (Dela Cruz, Espero, Tokuda).

**SCRep. 3231 (Joint/Majority) Water and Land and Public Safety, Intergovernmental and Military Affairs and Ways and Means on S.R. No. 81**

The purpose and intent of this measure is to encourage water conservation by consumers and businesses and initiatives to incentivize and educate consumers and businesses about water conservation efforts.

Your Committees did not receive any testimony on this measure.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which urges the Department of Land and Natural Resources to affirm its commitment to make the State the lead in the conservation, management, and protection of Hawaii's natural resources and to resist efforts by the federal government to expand federal jurisdiction over Hawaii's natural resources in the designation of critical habitats, expansion of current co-manager relationships, or creation of new co-manager relationships.

Your Committees received testimony in support of the proposed S.D. 1 from two individuals. Your Committees received testimony in opposition to the proposed S.D. 1 from one individual. Your Committees received comments on the proposed S.D. 1 from the Department of Land and Natural Resources.

Your Committees find that among the most significant of Hawaii's natural resources are the upland rainforests, which are the watersheds that feed underground water systems that are tapped via wells to provide the freshwater essential for all life and the streams, forests, brush, and grasslands that support valuable and irreplaceable natural ecosystems of endemic plants, fish, and wildlife found nowhere else on Earth.

The mission of the Department of Land and Natural Resources is to enhance, protect, conserve, and manage Hawaii's unique and limited natural, cultural, and historic resources held in public trust for current and future generations of the people of Hawaii and its visitors, in partnership with others from the public and private sectors. The Department of Land and Natural Resources is responsible

for managing, administering, and exercising control over public lands, water resources, certain ocean waters, navigable streams, coastal areas (except commercial harbors), minerals, and all interests therein.

Your Committees further find that the State has a partnership relationship with the federal government in the regulation of natural resources, as many federal laws affect natural resources. However, you Committees believe that the lead in the conservation, management, and protection of Hawaii's natural resources should be the State, and that as much as possible, Hawaii's laws should be the primary laws used for the conservation, management, and protection of Hawaii's natural resources.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the 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 Water and Land, Public Safety, Intergovernmental and Military Affairs, and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 81, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 81, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4. Noes, 1 (Ruderman). Excused, 4 (Dela Cruz, Galuteria, Ihara, Taniguchi).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Ways and Means

Ayes, 9. Noes, 1 (Ruderman). Excused, 3 (Dela Cruz, Espero, Tokuda).

**SCRep. 3232 Ways and Means on S.C.R. No. 77**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged and reclaimed (filled) lands for maintenance, repair, replacement, and removal of an existing seawall and rubble rock revetment.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that a seawall and rubble rock revetment encumber an area of approximately 2,387 square feet, a portion of which is state submerged lands. Your Committee further finds that on June 10, 2010, the Board of Land and Natural Resources granted an amended approval for a fifty-five year term, non-exclusive easement to O. Joachim Granzow and Inge J. Granzow, trustees of the O. Joachim Granzow and Inge Granzow Family Trust; Joachim Wilhelm Granzoq; and Christian Lars Granzow. Your Committee understands that the Legislature's adoption of this measure will satisfy the requirement of section 171-53, Hawaii Revised Statutes, that the Legislature provide authorization by concurrent resolution prior to the leasing of state submerged lands.

As 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. 77, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3233 Ways and Means on S.C.R. No. 74**

The purpose and intent of this measure is to request the Department of Health to convene a task force or working group to examine feasible alternatives to shipping glass out of state as well as recommend any changes to the advance disposal fee assessed upon importers of certain glass containers.

In addition, this measure requests the Auditor to conduct an audit of the Department of Health's advance disposal fee program, including the use of fee revenue by the respective counties and the accuracy of payments made to recyclers from fee revenues.

Your Committee received written comments in support of this measure from the Wine Institute. The Department of Health submitted written comments on the measure.

Your Committee finds that the high cost of shipping glass out of state and the rapid depletion of the advance disposal fee revenue require the State to consider new alternatives to reducing the cost of shipping glass out of state. Further, the limited market in Hawaii for scrap glass has created a dependency on out-of-state recycling centers. Your Committee further finds that an audit of the State's advance disposal fee program, with input from various stakeholders, will bring innovative and feasible proposals and alternatives to shipping glass out of state. Your Committee believes that this measure will effectively evaluate the viability of the advance disposal fee program and ensure that any increase in fees are necessary for Hawaii's glass recycling needs.

As 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. 74, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3234 Ways and Means on S.C.R. No. 13**

The purpose and intent of this measure is to approve the sale of the leased fee interest in a single family home located at 41-669 Inoaole Street, Waimanalo, Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Hawaii Housing Finance and Development Corporation. Your Committee received written comments in

opposition to this measure from one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell certain state lands in fee simple. Your Committee also finds that the property at 41-669 Inoaole Street is a single family home built in 1974 as part of the 190-unit Hale Aupuni affordable for-sale housing development. The fair market value of the leased fee interest in 41-669 Inoaole Street was determined to be \$46,900 as of July 1, 2013. The Hawaii Housing Finance and Development Corporation is seeking legislative approval to sell the leased fee interest in 41-669 Inoaole Street to its current leasehold owner. Accordingly, your Committee finds that the Corporation has met all statutory prerequisites to request approval of the sale of this parcel.

As 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. 13 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3235 Ways and Means on S.C.R. No. 17**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement covering certain submerged lands.

Specifically, the measure authorizes an easement for state submerged lands fronting the property identified as Tax Map Key: (1) 5-5-002: seaward of 034, at Laie, Koolauloa, Oahu, for the maintenance and repair of the existing revetment and steps, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain the prior authorization of the Legislature by concurrent resolution in order to issue the easement. Your Committee further finds that authorizing the issuance of the easement for the specified state submerged lands would facilitate the use, maintenance, and repair of the specified revetment and steps.

As 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. 17 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3236 Ways and Means on S.C.R. No. 22**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement for an existing seawall that was placed on state submerged lands at Haleaha, Koolauloa, Oahu, for the maintenance and repair of the seawall and for the use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that the previous owner of the abutting property has worked with the Department of Land and Natural Resources to resolve the encroachment of the seawall on the state submerged lands fronting the property identified as Tax Map Key: (1) 5-3-006: seaward of 021, located in Haleaha, Koolauloa, Oahu. Your Committee further finds that this easement is necessary to ensure the proper maintenance and repair of the existing seawall.

Section 171-53, Hawaii Revised Statutes, requires the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution for the disposition of state submerged lands. Accordingly, your Committee finds that this concurrent resolution is in compliance with the statutory requirements.

As 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. 22 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3237 Ways and Means on S.C.R. No. 78**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands for rock blanket and revetment purposes.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that a rock blanket encroaches on approximately eight hundred fourteen square feet of state submerged lands. Your Committee further finds that on October 11, 2013, the Board of Land and Natural Resources approved the request of Global Spring Management Hawaii LLC for a non-exclusive easement, pending the payment of an appraised fair market value for the easement. Your Committee understands that the Legislature's adoption of this measure will satisfy the requirement of section 171-53, Hawaii Revised Statutes, that the Legislature provide authorization by concurrent resolution prior to the leasing of state submerged lands.

As 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, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3238 Ways and Means on S.C.R. No. 18**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement covering certain state submerged lands.

Specifically, the measure authorizes an easement for state submerged lands at Niu, Honolulu, Oahu, for the maintenance and repair of the existing seawall and steps, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain the prior authorization of the Legislature by concurrent resolution in order to issue the easement. Your Committee further finds that authorizing the issuance of the easement for the specified state submerged lands would facilitate the use, maintenance, and repair of the specified seawall and related improvements.

As 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. 18 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3239 Ways and Means on S.C.R. No. 23**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue two term, non-exclusive easements for existing seawall and rock piles that were placed on state submerged lands at Mokuleia, Waialua, Oahu for the maintenance and repair of the seawall and rock pile, and for the use, maintenance, and repair of the existing improvements thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that the current owners of abutting property have worked with the Department of Land and Natural Resources to resolve the encroachment of the seawall and rock pile on the state submerged lands fronting the property in Mokuleia, Waialua, Oahu. Your Committee further finds that the easements are necessary to ensure the proper maintenance and repair of the existing seawall and rock pile.

Section 171-53, Hawaii Revised Statutes, requires the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution for the disposition of state submerged lands. Accordingly, your Committee finds that this concurrent resolution is in compliance with the statutory requirements.

As 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. 23 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3240 Ways and Means on S.C.R. No. 146**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands for the use, maintenance, repair, replacement, and removal of the existing concrete pad, ladder, steps, and rock walls; and for the use, maintenance, repair, replacement, and removal of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that an existing concrete pad, ladder, steps, and rock walls encroach on state submerged lands fronting property identified as Tax Map Key: (1) 3-7-002: seaward of 045, Niu, Honolulu, Oahu. Your Committee further finds that on February 14, 2014, the Board of Land and Natural Resources approved a grant of a fifty-five year non-exclusive easement to resolve the encroachments. Your Committee understands that the Legislature's adoption of this measure will satisfy the requirement of section 171-53, Hawaii Revised Statutes, that the Legislature provide authorization by concurrent resolution prior to the leasing of state submerged lands.

As 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. 146 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3241 (Joint) Water and Land and Economic Development, Government Operations and Housing on S.C.R. No. 139**

The purpose and intent of this measure is to:

- (1) Request Pūlama Lāna'i to develop, in conjunction with the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, and High Technology Development Corporation, a partnership management plan for Lana'i; and
- (2) Request Pūlama Lāna'i to submit a preliminary progress report on the progress of developing the partnership management plan to the Legislature prior to the 2015 Regular Session and a final report prior to the 2016 Regular Session.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Aha Moku Advisory Committee; and Pūlama Lānaʻi.

Your Committees find that in July 2013, Lānaʻi Resorts began doing business as Pūlama Lānaʻi. In Hawaiian, *pūlama* is “to cherish”, or “to treasure”, which expresses the deep sense of stewardship for the island and the spirit that will guide endeavors that reach far beyond the resorts of Lanaʻi. Inspired by a deep respect for the people, history, beauty, and natural resources of Lānaʻi, Pūlama Lānaʻi’s vision is to develop the island into a thriving model of sustainability. Pūlama Lānaʻi believes in the capacity of the community to collectively shape a future that will flourish in a rich diversity of minds, hearts, cultures, ideas, and expertise.

Your Committees believe that Pūlama Lānaʻi is committed to environmental, cultural, and economic prosperity across a balanced platform of conservation, preservation, education, energy, hospitality, social services, health care, business development, and community life.

The State of Hawaii has a vested interest in the proper development of Lānaʻi to fulfill the vision of Pūlama Lānaʻi. Formulating a partnership master plan is the most efficient and expedient manner of providing for the development of Lānaʻi. Your Committees find that a partnership master plan must be the result of a joint effort among Pūlama Lānaʻi, the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, and High Technology Development Corporation, all of whom have particular interests in the development of Lanaʻi for the long-term benefit of the State.

Your Committees are particularly impressed with the oral testimony of all supporters of this measure that the supporters are truly working well together in a cooperative and collaborative fashion to bring about Pūlama Lānaʻi’s vision to develop the island into a thriving model of sustainability. Your Committees hope this can become a template for every island.

Your Committees have amended this measure by:

- (1) Changing the title to read: REQUESTING PŪLAMA LĀNAʻI TO CONTINUE TO WORK IN A COOPERATIVE PUBLIC/PRIVATE PARTNERSHIP ON THE ISLAND OF LĀNAʻI WITH THE DEPARTMENT OF LAND AND NATURAL RESOURCES, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, HIGH TECHNOLOGY DEVELOPMENT CORPORATION, AND LANAʻI AHA MOKU, AND REQUESTING PŪLAMA LĀNAʻI TO SUBMIT A REPORT OF THE PARTNERSHIPS TO THE LEGISLATURE PRIOR TO THE 2015 AND 2016 REGULAR SESSIONS;
- (2) Deleting the seventh and eighth whereas paragraphs and substituting one whereas paragraph which reads, “the State of Hawaii has an interest to work in a cooperative public/private partnership with Pūlama Lānaʻi to fulfill the vision of the company, the Lānaʻi community, the citizens of Hawaii, and Larry Ellison;
- (3) Deleting the first two be it resolved paragraphs and substituting two be it resolved paragraphs that:
  - (a) Request Pūlama Lānaʻi to continue to work in a cooperative public/private partnership, in conjunction with the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, and High Technology Development Corporation; and
  - (b) Request Pūlama Lānaʻi to submit a preliminary report to the Legislature prior to the convening of the 2015 Regular Session, and a final report prior to the convening of the 2016 Regular Session, of the partnership work that has occurred between the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, and High Technology Development Corporation, and Pūlama Lānaʻi; and
- (4) Adding Lanaʻi Aha Moku in the partnership in order to include the traditional practitioners of Lanaʻi with generational knowledge of the island’s resources into the planning process; and
- (5) 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 Water and Land and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 139, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 139, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Ihara, Shimabukuro, Taniguchi).

Economic Development, Government Operations and Housing

Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 3242 (Joint) Water and Land and Economic Development, Government Operations and Housing on S.R. No. 75**

The purpose and intent of this measure is to:

- (1) Request Pūlama Lānaʻi to develop, in conjunction with the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, and High Technology Development Corporation, a partnership management plan for Lanaʻi; and
- (2) Request Pūlama Lānaʻi to submit a preliminary progress report on the progress of developing the partnership management plan to the Legislature prior to the 2015 Regular Session and a final report prior to the 2016 Regular Session.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Aha Moku Advisory Committee; and Pūlama Lānaʻi.

Your Committees find that in July 2013, Lānaʻi Resorts began doing business as Pūlama Lānaʻi. In Hawaiian, *pūlama* is “to cherish”, or “to treasure”, which expresses the deep sense of stewardship for the island and the spirit that will guide endeavors that reach far beyond the resorts of Lānaʻi. Inspired by a deep respect for the people, history, beauty, and natural resources of Lānaʻi, Pūlama Lānaʻi’s vision is to develop the island into a thriving model of sustainability. Pūlama Lānaʻi believes in the capacity of the community to collectively shape a future that will flourish in a rich diversity of minds, hearts, cultures, ideas, and expertise.

Your Committees believe that Pūlama Lānaʻi is committed to environmental, cultural, and economic prosperity across a balanced platform of conservation, preservation, education, energy, hospitality, social services, health care, business development, and community life.

The State of Hawaii has a vested interest in the proper development of Lānaʻi to fulfill the vision of Pūlama Lānaʻi. Formulating a partnership master plan is the most efficient and expedient manner of providing for the development of Lānaʻi. Your Committees find that a partnership master plan must be the result of a joint effort among Pūlama Lānaʻi, the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, and High Technology Development Corporation, all of whom have particular interests in the development of Lānaʻi for the long-term benefit of the State.

Your Committees are particularly impressed with the oral testimony of all supporters of this measure that the supporters are truly working well together in a cooperative and collaborative fashion to bring about Pūlama Lānaʻi’s vision to develop the island into a thriving model of sustainability. Your Committees hope this can become a template for every island.

Your Committees have amended this measure by:

- (1) Changing the title to read: REQUESTING PŪLAMA LĀNAʻI TO CONTINUE TO WORK IN A COOPERATIVE PUBLIC/PRIVATE PARTNERSHIP ON THE ISLAND OF LĀNAʻI WITH THE DEPARTMENT OF LAND AND NATURAL RESOURCES, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, HIGH TECHNOLOGY DEVELOPMENT CORPORATION, AND LANAʻI AHA MOKU, AND REQUESTING PŪLAMA LĀNAʻI TO SUBMIT A REPORT OF THE PARTNERSHIPS TO THE LEGISLATURE PRIOR TO THE 2015 AND 2016 REGULAR SESSIONS;
- (2) Deleting the seventh and eighth whereas paragraphs and substituting one whereas paragraph which reads, “the State of Hawaii has an interest to work in a cooperative public/private partnership with Pūlama Lānaʻi to fulfill the vision of the company, the Lānaʻi community, the citizens of Hawaii, and Larry Ellison;
- (3) Deleting the first two be it resolved paragraphs and substituting two be it resolved paragraphs that:
  - (a) Request Pūlama Lānaʻi to continue to work in a cooperative public/private partnership, in conjunction with the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, and High Technology Development Corporation; and
  - (b) Request Pūlama Lānaʻi to submit a preliminary report to the Legislature prior to the convening of the 2015 Regular Session, and a final report prior to the convening of the 2016 Regular Session, of the partnership work that has occurred between the Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, and High Technology Development Corporation, and Pūlama Lānaʻi; and
- (4) Adding Lanaʻi Aha Moku in the partnership in order to include the traditional practitioners of Lanaʻi with generational knowledge of the island’s resources into the planning process; and
- (5) 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 Water and Land and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 75, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 75, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 3 (Ihara, Shimabukuro, Taniguchi).

Economic Development, Government Operations and Housing

Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 3243 (Joint) Economic Development, Government Operations and Housing and Judiciary and Labor on S.C.R. No. 92**

The purpose and intent of this measure is to encourage state departments to conduct business with sustainable business corporations and further the promotion of sustainable corporations in Hawaii.

Your Committees received no testimony for this measure.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which requests the State Auditor to conduct a management audit of the Department of Labor and Industrial Relations.

Your Committees received testimony in opposition to the proposed S.D. 1 from ILWU Local 142. Your Committees received comments on the proposed S.D. 1 from the Department of Labor and Industrial Relations and one individual.

Your Committees find that employment reductions-in-force during the recent economic recession have severely impacted the Department of Labor and Industrial Relations' personnel resources by reducing its total number of full-time employees so much so as to have eliminated entire sections and branches within the Department, leaving some departmental responsibilities unfulfilled. Consequently, some departmental employees have had to perform additional responsibilities concurrent with their primary responsibilities and work overtime without overtime pay to fulfill departmental obligations, while other departmental employees are receiving overtime and additional pay when they are not entitled to such pay.

Your Committees further find that concerns have been raised about the management and operations of the Department of Labor and Industrial Relations, which have caused lengthy delays in processing and backlogs through the Department.

Your Committees have amended this measure by replacing its contents with the contents of the proposed S.D. 1.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 92, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 92, S.D. 1.

Signed by the Chair and Majority Leader on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, English, Thielen).

Judiciary and Labor  
Ayes, 4. Noes, none. Excused, 3 (Gabbard, Galuteria, Ihara).

**SCRep. 3244 (Joint/Majority) Water and Land and Energy and Environment and Commerce and Consumer Protection and Ways and Means on S.C.R. No. 148**

The purpose and intent of this measure is to request the Division of State Parks to create a plan to surround every state park with fencing.

Your Committees did not receive any testimony on this measure.

Prior to hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which requests the Public Utilities Commission to issue an order in the request for proposals docket no. 2012-0092 to ensure that the power supply improvement plan (ordered in the Hu Honua docket) and due April 21, 2014, addresses the plan to integrate fifty megawatts of geothermal-derived electricity onto the Hawaiian Electric Company grid within two years of the awarding of the request for proposals and requires that Hawaiian Electric Company retire its fossil fuel plants on Hawaii island by a date certain.

Your Committees received testimony in opposition to the proposed S.D. 1 from Hawaii Electric Light Company, Life of the Land, Puna Pono Alliance, and four individuals. Your Committees received comments on the proposed S.D. 1 from the Public Utilities Commission.

Your Committees find that \$4,500,000,000 was expended to import oil into Hawaii in 2013, and the economy of the State remains highly vulnerable due to the annual export of dollars to import oil. Section 269-92, Hawaii Revised Statutes, which establishes renewable portfolio standards, and subsequent Energy Policy Directives of the State of Hawaii support the development of Hawaii's indigenous geothermal resources as a key element of the State's diversified energy approach.

The Public Utilities Commission has found that ratepayers on Hawaii Island pay approximately 42 cents per kilowatt hour, nearly four times the national rate of electricity, as the result of an existing HELCO geothermal avoided cost contract, which requires that ratepayers are charged the cost of fossil fuel rather than the cost of geothermal energy, and which the Public Utilities Commission has determined is not in the public interest. The Hawaii Geothermal Working Group studied the feasibility of geothermal development on Hawai'i Island and found that geothermal energy can be developed as the cheapest and most reliable form of base load power for Hawai'i County, and recommended that the State support the development of Hawaii's vast geothermal resources as a high priority for the State's energy and economic security.

Your Committees believe that the State and County of Hawaii's priority for geothermal energy development and integration of geothermal electricity has not substantially progressed on Hawaii Island, which has resulted for many years in electricity rates that are the highest in the State by far. Your Committees believe that this is paradoxical in that Hawaii Island has abundant geothermal energy resources that is capable of supplying a significant amount of electrical energy to meet the needs of residents and businesses. Hence, this measure seeks to move Hawaii Island away from dependence on fossil fuel and toward geothermal energy and other alternative energy sources.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Changing the title to read: URGING THE PUBLIC UTILITIES COMMISSION AND THE HAWAIIAN ELECTRIC LIGHT COMPANY TO EXPEDITE THE CONCLUSION AND RESOLUTION OF REQUEST FOR PROPOSALS DOCKET NO. 2012-0092 FOR FIFTY MEGAWATTS OF GEOTHERMAL-DERIVED ELECTRICITY ON THE ISLAND OF HAWAII;
- (2) Deleting the first be it resolved paragraph;
- (3) Amending the second be it resolved paragraph to read that the Public Utilities Commission and the Hawaiian Electric Light Company are urged to expedite the conclusion and resolution of Request for Proposals Docket No. 2012-0092 for fifty megawatts of geothermal-derived electricity on the island of Hawaii;
- (4) Deleting the third be it resolved paragraph; and
- (5) 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 Water and Land, Energy and Environment, Commerce and Consumer Protection, and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 148, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 148, S.D. 1.

Signed by the Chairs and Majority Leader on behalf of the Committees.

Water and Land

Ayes, 7. Noes, 1 (Ruderman). Excused, 1 (Shimabukuro).

Energy and Environment

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

Commerce and Consumer Protection

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

Ways and Means

Ayes, 10. Noes, 1 (Ruderman). Excused, 2 (English, Kouchi).

**SCRep. 3245 (Joint/Majority) Water and Land and Energy and Environment and Commerce and Consumer Protection and Ways and Means on S.R. No. 84**

The purpose and intent of this measure is to request the Division of State Parks to create a plan to surround every state park with fencing.

Your Committees did not receive any testimony on this measure.

Prior to hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which requests the Public Utilities Commission to issue an order in the request for proposals docket no. 2012-0092 to ensure that the power supply improvement plan (ordered in the Hu Honua docket) and due April 21, 2014, addresses the plan to integrate fifty megawatts of geothermal-derived electricity onto the Hawaiian Electric Company grid within two years of the awarding of the request for proposals and requires that Hawaiian Electric Company retire its fossil fuel plants on Hawaii island by a date certain.

Your Committees received testimony in opposition to the proposed S.D. 1 from Hawaii Electric Light Company, Life of the Land, Puna Pono Alliance, and four individuals. Your Committees received comments on the proposed S.D. 1 from the Public Utilities Commission.

Your Committees find that \$4,500,000,000 was expended to import oil into Hawaii in 2013, and the economy of the State remains highly vulnerable due to the annual export of dollars to import oil. Section 269-92, Hawaii Revised Statutes, which establishes renewable portfolio standards, and subsequent Energy Policy Directives of the State of Hawaii support the development of Hawaii's indigenous geothermal resources as a key element of the State's diversified energy approach.

The Public Utilities Commission has found that ratepayers on Hawaii Island pay approximately 42 cents per kilowatt hour, nearly four times the national rate of electricity, as the result of an existing HELCO geothermal avoided cost contract, which requires that ratepayers are charged the cost of fossil fuel rather than the cost of geothermal energy, and which the Public Utilities Commission has determined is not in the public interest. The Hawaii Geothermal Working Group studied the feasibility of geothermal development on Hawai'i Island and found that geothermal energy can be developed as the cheapest and most reliable form of base load power for Hawai'i County, and recommended that the State support the development of Hawaii's vast geothermal resources as a high priority for the State's energy and economic security.

Your Committees believe that the State and County of Hawaii's priority for geothermal energy development and integration of geothermal electricity has not substantially progressed on Hawaii Island, which has resulted for many years in electricity rates that are the highest in the State by far. Your Committees believe that this is paradoxical in that Hawaii Island has abundant geothermal energy resources that is capable of supplying a significant amount of electrical energy to meet the needs of residents and businesses. Hence, this measure seeks to move Hawaii Island away from dependence on fossil fuel and toward geothermal energy and other alternative energy sources.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Changing the title to read: URGING THE PUBLIC UTILITIES COMMISSION AND THE HAWAIIAN ELECTRIC LIGHT COMPANY TO EXPEDITE THE CONCLUSION AND RESOLUTION OF REQUEST FOR PROPOSALS DOCKET NO. 2012-0092 FOR FIFTY MEGAWATTS OF GEOTHERMAL-DERIVED ELECTRICITY ON THE ISLAND OF HAWAII;
- (2) Deleting the first be it resolved paragraph;
- (3) Amending the second be it resolved paragraph to read that the Public Utilities Commission and the Hawaiian Electric Light Company are urged to expedite the conclusion and resolution of Request for Proposals Docket No. 2012-0092 for fifty megawatts of geothermal-derived electricity on the island of Hawaii;
- (4) Deleting the third be it resolved paragraph; and
- (5) 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 Water and Land, Energy and Environment, Commerce and Consumer Protection, and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 84, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 84, S.D. 1.



Signed by the Chairs and Majority Leader on behalf of the Committees.

Water and Land

Ayes, 7. Noes, 1 (Ruderman). Excused, 1 (Shimabukuro).

Energy and Environment

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

Commerce and Consumer Protection

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

Ways and Means

Ayes, 10. Noes, 1 (Ruderman). Excused, 2 (English, Kouchi).

**SCRep. 3246 Judiciary and Labor on H.B. No. 2579**

The purpose and intent of this measure is to temporarily allow compromises for workers' compensation claims reached as a result of third party liability claims or actions to be valid without the approval of the Director of Labor and Industrial Relations.

Your Committee did not receive written testimony on this measure.

Your Committee finds that the Director of Labor and Industrial Relations reviews and approves all compromises related to workers' compensation claims. This measure will assist in the reduction of the number of third party generated compromises that are pending approval by the Director and expedite the entire process of review and approval of compromises.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2579, 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 (Galuteria).

**SCRep. 3247 Judiciary and Labor on H.B. No. 1846**

The purpose and intent of this measure is to increase the maximum claim amount that determines District Court jurisdictions in civil cases from \$25,000 to \$40,000.

Your Committee received testimony in support of this measure from two individuals. Your Committee received testimony in opposition to this measure from the Government Employees Insurance Company and Property Casualty Insurers Association of America.

Your Committee finds that this measure will increase the parties' and their attorneys' power to choose whether to file a civil case in District Court or Circuit Court if a claim is under \$40,000, rather than \$25,000. Parties choosing to file their civil case in District Court could save time and money due to District Court's simpler procedural system.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1846, 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 (Galuteria).

**SCRep. 3248 Judiciary and Labor on H.B. No. 2116**

The purpose and intent of this measure is to eliminate sentences of life imprisonment without the possibility of parole for juvenile offenders. Specifically, this measure:

- (1) Amends section 706-656, Hawaii Revised Statutes, relating to imprisonment terms for first and second degree murder and attempted first and second degree murder, to:
  - (A) Apply a sentence of life imprisonment without the possibility of parole to persons eighteen years of age or over at the time of the offense who are convicted of first degree murder or first degree attempted murder; and
  - (B) Require that persons under the age of eighteen years at the time of the offense who are convicted of first degree murder or first degree attempted murder be sentenced to life imprisonment with the possibility of parole; and
- (2) Amends section 706-657, Hawaii Revised Statutes, relating to enhanced sentence for second degree murder, to apply the sentencing guidelines under this section to persons eighteen years of age or over at the time of the offense.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Office of the Public Defender, Office of the Prosecuting Attorney of the County of Kauai, American Civil Liberties Union of Hawaii, The Campaign for the Fair Sentencing of Youth, Community Alliance on Prisons, Richardson Students for the Rights of Children, Hawaii Appleseed Center for Law and Economic Justice, and one individual. Your Committee received comments on this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that Hawaii is one of the few states that still allow life sentences without the possibility of parole for juvenile offenders. According to The Campaign for the Fair Sentencing of Youth, approximately two thousand five hundred individuals in the United States have been sentenced to life without the possibility of parole for crimes committed as children. While international law prohibits life sentences without parole for juvenile offenders under the age of eighteen at the time the crime is committed, the United States is the only country in the world that sentences its children to a lifetime of incarceration.

Your Committee notes that in *Miller v. Alabama*, 132 S.Ct. 2455 (2012), the U.S. Supreme Court held that mandatory life sentences without parole for those under the age of eighteen at the time of their crimes violate the Eighth Amendment's prohibition on cruel and unusual punishments. The Supreme Court reasoned that children are constitutionally different from adults for purposes of sentencing, and because juveniles have diminished culpability and greater prospects for reform, they are less deserving of the most severe punishments. Thus, the Court concluded that the distinctive attributes of youth diminish the penological justifications for imposing the harshest sentences on juvenile offenders, even when they commit terrible crimes. This measure recognizes the constitutional differences relating to sentencing between juvenile and adult offenders by eliminating the sentences of life imprisonment without the possibility of parole for juvenile offenders.

Your Committee recognizes that mitigating factors may exist for cases involving a juvenile offender. The United States Supreme Court held in *Miller* that subsequent decisions have elaborated on the requirement that defendants have an opportunity to advance, and the judge or jury have a chance to assess, any mitigating factors. Therefore, for cases involving a juvenile offender, the sentencer should have the ability to consider the "mitigating qualities of youth" because "youth is more than a chronological fact", it is a time of immaturity, irresponsibility, impetuosity, and recklessness. The Supreme Court in *Miller* stated that youth is a moment and "condition of life when a person may be most susceptible to influence and to psychological damage." Accordingly, your Committee encourages the sentencing judge to take into account and consider any mitigating factors for cases involving a juvenile offender.

Your Committee further recognizes the language suggested by the advocates for this measure regarding certain factors that the sentencing judge and Hawaii Paroling Authority should consider in determining the appropriate sentence for a juvenile offender. However, your Committee notes that these factors are already included in the considerations that the Court may consider in sentencing and the Hawaii Paroling Authority may consider in determining minimum term of imprisonment. Your Committee also notes the advocates' preference for certain language under H.B. No. 2116, H.D. 1 (Regular Session of 2014).

Accordingly, your Committee has amended this measure by:

- (1) Adopting the suggestion made by the Hawaii Appleseed Center for Law and Economic Justice to insert language from H.B. No. 2116, H.D. 1 (Regular Session of 2014) that amends section 706-669, Hawaii Revised Statutes, relating to the determination of minimum terms of imprisonment, to establish a limit on the minimum term of imprisonment before a prisoner who was less than eighteen years of age at the time of the offense becomes eligible for parole;
- (2) Changing the effective date from July 1, 2050, to July 1, 2014; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2116, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2116, 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, 6; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Galuteria).

#### **SCRep. 3249      Judiciary and Labor on H.B. No. 1926**

The purpose and intent of this measure is to strengthen laws relating to prostitution. Specifically, this measure:

- (1) Deletes the conviction of promoting prostitution in the second degree from the class C felony offenses enumerated under the law relating to the sentencing of repeat offenders;
- (2) Adds the offenses of promoting prostitution in the first degree, promoting prostitution in the second degree, and solicitation of a minor for prostitution to the law relating to enhanced sentencing for repeat violent and sexual offenders;
- (3) Amends the definition of "sexual conduct" to include sadomasochistic abuse under the offense of prostitution;
- (4) Amends section 712-1209.1, Hawaii Revised Statutes, relating to the offense of solicitation of a minor for prostitution, to:
  - (A) Clarify that a person eighteen years of age or older commits the offense if the person offers or agrees to pay a fee to a minor or to another person who represents that person's self as a minor to engage in sexual conduct;
  - (B) Increase the minimum fine imposed on a person convicted of the offense from \$2,000 to \$5,000;
  - (C) Add that the offense of solicitation of a minor for prostitution does not apply to a law enforcement officer acting in the course and scope of duties; and
  - (D) Establish that a defendant not knowing that the minor was under the age of eighteen is not a defense;
- (5) Amends the definition of "sexual offense" in section 846E-1, Hawaii Revised Statutes, to exempt a person convicted of the offense of solicitation of a minor for prostitution from registering as a sex offender if the perpetrator was not more than two years older than the minor at the time of the offense; and
- (6) Amends section 853-4(a), Hawaii Revised Statutes, which enumerates the offenses that are ineligible for deferred acceptance of guilty pleas and nolo contendere pleas to:
  - (A) Repeal the offense of promoting prostitution in the first degree; and
  - (B) Add the offense of solicitation of a minor for prostitution.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; Office of the Prosecuting Attorney, County of Hawaii; The Pacific Alliance to Stop Slavery; IMUAlliance; Rainbow Family 808; and fourteen individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender and

four individuals. Your Committee received comments on this measure from the Department of the Attorney General and two individuals.

Your Committee finds that in recent years, the Legislature has passed several laws combatting human trafficking in Hawaii, including enacting labor trafficking laws and increasing the penalties for the promotion and solicitation of prostitution. According to an ongoing study conducted by The Pacific Alliance to Stop Slavery and IMUAlliance, there are approximately one hundred twenty-five high risk sex trafficking establishments in Hawaii, which are predominately located on Oahu. This measure further strengthens the State's efforts in combatting sex trafficking.

Your Committee notes the concerns raised in the testimony submitted by the Office of the Public Defender regarding making the offense of solicitation of a minor for prostitution ineligible for a deferred acceptance of guilty plea and nolo contendere plea. The Office testified that if a person is required to register as a sex offender for committing the offense of solicitation of a minor for prostitution, that person should be eligible for deferred acceptance of guilty plea and nolo contendere plea because the sex offender registry laws affect the covered offender's private and professional life. While your Committee recognizes the potential ramifications of being a registered sex offender, your Committee disagrees that making a person convicted of solicitation of a minor for prostitution ineligible for deferred acceptance of guilty plea and nolo contendere plea in addition to requiring the person to register as a sex offender is overly burdensome in light of the convicted offense.

Your Committee further notes the concerns raised by The Pacific Alliance to Stop Slavery and IMUAlliance regarding the exemption provided to law enforcement officers from the offense of prostitution under section 712-1200, Hawaii Revised Statutes, if the law enforcement officers act in the course and scope of their duties. Your Committee recognizes that this exemption allows law enforcement officers to conduct undercover investigations. However, the IMUAlliance testified to incidents where law enforcement officers have abused their powers by engaging in sexual penetration in the course and scope of their duties. Your Committee also notes that this exemption has garnered extensive statewide and national media coverage. Your Committee believes that it is unnecessary for a law enforcement officer to engage in sexual intercourse in order to make an arrest for prostitution because it is the financial transaction that makes the act illegal under the offense of prostitution.

Your Committee has amended this measure by:

- (1) Amending section 712-1200, Hawaii Revised Statutes, relating to the offense of prostitution, to:
  - (A) Delete "sodomasochistic abuse" from the definition of "sexual conduct";
  - (B) Amend the exemption for law enforcement officers to clarify that law enforcement officers are not exempt if they engage in sexual penetration while acting in the course and scope of their duties; and
  - (C) Create a safe harbor provision for minors by establishing that minors will not be prosecuted for any prostitution and promoting prostitution offenses if the minor was less than eighteen years of age at the time of the offense and the prostitution offense is the minor's first and only prostitution offense;
- (2) Deleting the sex offender registration exemption for a person convicted of the offense of solicitation of a minor for prostitution if the perpetrator was not more than two years older than the minor at the time of the offense; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1926, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1926, 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, 3 (Ihara, Solomon, Slom).

**SCRep. 3250 Ways and Means on H.B. No. 2427**

The purpose and intent of this measure is to repeal the following unused or inactive non-general funds:

- (1) Animal quarantine special fund;
- (2) Donations for voter registration drive trust account;
- (3) Hawaii FYI – ICSD trust account;
- (4) Parking control revolving fund escrow account;
- (5) Returned ACH tax refunds trust account;
- (6) HDOA biocontrol foreign exploration special fund; and
- (7) Hawaii EUTF self-directed investments trust account.

For purposes of a public hearing, your Committee circulated a proposed S.D. 1 (Proposed Draft) of the measure, and notified the public that your Committee would be accepting testimony on the Proposed Draft, which deletes the language repealing the animal quarantine special fund and inserts language to repeal the following unused or inactive non-general funds:

- (1) Captain Cook memorial fund;
- (2) Seal of quality special fund;
- (3) Infrastructure development fund;

- (4) Statewide geospatial information and data integration special fund;
- (5) Food distribution program revolving fund;
- (6) Seed distribution program revolving fund;
- (7) Center for Labor Education and Research revolving fund;
- (8) Career and technical training projects revolving fund for the University of Hawaii at Hilo;
- (9) University of Hawaii alumni special fund;
- (10) Animal research farm, Waialeale, Oahu special fund;
- (11) Office of Health Care Assurance special fund;
- (12) Public health nursing services special fund;
- (13) Hawaii organ and tissue education special fund;
- (14) Blind shop revolving and handicraft fund;
- (15) Trust fund for the State Certified Motor Vehicle Arbitration Program; and
- (16) An account controlled by the State Commission on Fatherhood.

The Proposed Draft also transfers the balance of the fee simple residential revolving fund into the general fund.

Testimony in opposition to the H.D. 1 was received from Legacy of Life Hawaii. The Department of Taxation submitted comments on the H.D. 1.

Your Committee received testimony in support of the Proposed Draft from the Department of Accounting and General Services, Department of Land and Natural Resources, and Office of the Auditor. Testimony in opposition was received from the Department of Commerce and Consumer Affairs, Department of Health, Hawaii Cattleman's Council, Legacy of Life Hawaii, and one individual. The Department of Agriculture, Department of Education, Department of Taxation, Hawaii Housing Finance and Development Corporation, and University of Hawaii submitted comments on the Proposed Draft.

Your Committee finds that this measure is intended to repeal non-general funds that have very low balances or have had no activity in recent years. However, your Committee has received testimony indicating that the seal of quality special fund, seed distribution program revolving fund, Office of Health Care Assurance special fund, Hawaii organ and tissue education special fund, and trust fund for the State Certified Motor Vehicle Arbitration Program are still active and continue to serve the purpose for which they were established.

Your Committee has amended this measure by adopting the Proposed Draft with the following further amendments:

- (1) Deleting the language to repeal the following funds:
  - (A) Seal of quality special fund;
  - (B) Seed distribution program revolving fund;
  - (C) Office of Health Care Assurance special fund;
  - (D) Hawaii organ and tissue education special fund; and
  - (E) Trust fund for the State Certified Motor Vehicle Arbitration Program; and
- (2) 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 H.B. No. 2427, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2427, 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, 1 (Chun Oakland).

**SCRep. 3251 Ways and Means on H.B. No. 2507**

The purpose and intent of this measure is to provide an alternative to Hawaii becoming a member state under the Streamlined Sales and Use Tax Agreement.

More specifically, this measure authorizes the Department of Taxation to establish administrative rules for the development and simplification of procedures necessary to require businesses that have no nexus with the State to collect and remit general excise and use taxes to the State.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, The Chamber of Commerce of Hawaii, and Walgreen Co. The Department of Taxation, Tax Foundation of Hawaii, and Grassroot Institute of Hawaii submitted comments on the measure.

Your Committee finds that the Marketplace Fairness Act of 2013 is proposed legislation pending in the United States Congress that would enable a state to collect sales and use taxes from businesses that have no nexus with the state. If enacted, the Marketplace Fairness Act would authorize states to collect these taxes by becoming member states of the Streamlined Sales and Use Tax

Agreement. Alternatively, a state that is not a member state of the Streamlined Sales and Use Tax Agreement would be authorized to collect these taxes if the state adopted and implemented certain minimum simplification requirements. Your Committee further finds that this measure proactively implements the minimum simplification requirements described in the Marketplace Fairness Act.

Your Committee has amended this measure by:

- (1) Requiring remote sellers to collect and remit use tax on remote sales into the State if the United States Congress authorizes states to require such collection;
- (2) Providing that the measure shall not be deemed to have any effect on analysis of taxpayer nexus with the State;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) 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 H.B. No. 2507, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2507, 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, 1 (Chun Oakland).

**SCRep. 3252 Ways and Means on H.B. No. 1704**

The purpose and intent of this measure is to clarify the method of calculating the state tax credit for research activities.

More specifically, this measure provides that, notwithstanding contrary provisions of the Internal Revenue Code, the amount of the state tax credit for research activities shall be calculated based on all qualified research expenses for the taxable year, instead of on the increase in expenses over those incurred in past years.

The High Technology Development Corporation; The Chamber of Commerce of Hawaii; Cardax, Inc.; Oceanit Laboratories Inc.; nine individuals on behalf of Navatek, Ltd.; and sixty-six individuals provided testimony in support of this measure. The Department of Taxation provided testimony in opposition to this measure. The Tax Foundation of Hawaii and one individual provided comments.

Your Committee finds that Act 270, Session Laws of Hawaii 2013, reinstated the state tax credit for research activities. However, Act 270 deleted language from section 235-110.91, Hawaii Revised Statutes, related to the calculation of the tax credit. This measure is intended to clarify the method for calculating the tax credit. Your Committee notes that the Department of Taxation has expressed concerns that this measure will make administering the tax credit more difficult and complex and that the department may lack the personnel and resources to address this increased complexity.

Your Committee has amended this measure by:

- (1) Appropriating funds for the Department of Taxation to establish one full-time, permanent compliance specialist position to assist with the administration of the tax credit; and
- (2) 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 H.B. No. 1704, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1704, 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, 1 (Chun Oakland).

**SCRep. 3253 Ways and Means on H.B. No. 1712**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds to finance capital improvement projects authorized in appropriation measures of the Executive Branch and the Judiciary.

This measure also makes a declaration of findings with respect to the authorizations for the bonds as required under the Hawaii State Constitution.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that this measure is a necessary legislative vehicle for the issuance of general obligation bonds to fund state capital improvement projects.

Your Committee has amended this measure by:

- (1) Conforming references to appropriation acts and the timing of bond issuances as appropriate for a state bond act that is passed during an even-numbered year;
- (2) Changing to unspecified amounts certain percentages that relate to debt limit exclusions; and
- (3) Changing the effective date to July 1, 2050, 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. 1712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1712, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3254      Ways and Means on H.B. No. 1737**

The purpose and intent of this measure is to charge the Office of Community Services with the responsibility to review the State's grant-in-aid process and provide resources for the office to expand state-funded immigrant resource centers.

Specifically, the measure:

- (1) Requires the Office of Community Services to review all grant-in-aid requests submitted to and granted by the Twenty-sixth Legislature; and
- (2) Makes an appropriation to support the expansion of the state-funded immigrant resource centers, contracted by the Office of Community Services with nonprofit service providers, to provide language-accessible direct information and referral services to new immigrants.

Your Committee received testimony in support of this measure from the Office of Community Services of the Department of Labor and Industrial Relations, Hawaii Educational Policy Center, Catholic Charities Hawaii, Susannah Wesley Community Center, Child and Family Service, and one individual. The Department of Budget and Finance submitted written comments on the measure.

Your Committee finds that conducting a review of grant requests submitted to and granted by the Legislature will provide useful information to assist with the process of awarding grants and to improve the process where necessary. Your Committee further finds that there is a need to expand state-funded immigrant resource centers to provide important information and services to persons in their primary language.

Your Committee has amended this measure by:

- (1) Adding an appropriation of an unspecified sum for the Office of Community Services to review grant requests and awards and report on its findings, as required by the measure, and making conforming amendments to the purpose section;
- (2) Changing references to "grants-in-aid" in section 2 of the measure to "grants" and clarifying the measure's intent to have the Office of Community Services focus its review on grants issued under chapter 42F, Hawaii Revised Statutes; and
- (3) Changing the effective date to July 1, 2050, 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. 1737, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1737, 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, 1 (Chun Oakland).

**SCRep. 3255      Ways and Means on H.B. No. 1741**

The purpose and intent of this measure is to establish and appropriate moneys from the infrastructure capacity construction loan revolving fund to provide loans to the counties, state agencies, and private developers for infrastructure improvements to increase the capacity of infrastructure facilities.

The Department of Commerce and Consumer Affairs; the Department of Planning and Permitting; The Pacific Resource Partnership; Building Industry Association; The Chamber of Commerce of Hawaii; and the Land Use Research Foundation of Hawaii provided testimony in support of this measure. The Department of Budget and Finance and the Department of Business, Economic Development, and Tourism provided comments.

Your Committee finds that much of Hawaii's infrastructure is in serious disrepair and requires significant capital improvement investment. Your Committee further finds that orderly and planned infrastructure construction is the foundation for planned population growth and desirable communities. Furthermore, an incentivized financing program for the development of planned infrastructure capacity development will support economic development. Therefore, your Committee believes that the establishment of the infrastructure capacity construction loan revolving fund will allow for necessary upgrades to Hawaii's infrastructure, accelerate infrastructure projects that otherwise may not be brought to fruition without proper financing, and help to improve the quality of life for Hawaii's residents.

Your Committee has amended this measure by:

- (1) Adding telecommunications and broadband infrastructure to the types of infrastructure improvement projects:
  - (A) That may be financed with loans from the revolving fund; and
  - (B) For which private investors may be repaid for their investment, plus any interest, made into the revolving fund;
- (2) Adding an appropriation from the general fund for an unspecified sum to the Department of Budget and Finance for the implementation, administration, and coordination of the infrastructure capacity construction loan revolving fund;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes 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 H.B. No. 1741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1741, 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 (Thielen, Slom). Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3256 Ways and Means on H.B. No. 2000**

The purpose and intent of this measure is to amend state income tax law to conform to federal law with respect to net operating loss deductions and the election to expense certain depreciable business assets.

The Chamber of Commerce of Hawaii provided testimony in support of this measure. The Department of Taxation testified in opposition to this measure. The Tax Foundation of Hawaii and 1978 "Conventional People" provided comments.

Your Committee finds that, under current law, sections 172 (with respect to net operating loss deductions) and 179 (with respect to election to expense certain depreciable business assets) of the Internal Revenue Code are not fully operative for Hawaii income tax purposes. This measure is intended to amend state income tax law to fully conform to these Internal Revenue Code provisions.

Your Committee has amended this measure by changing the taxable years to which the measure applies to taxable years beginning after December 31, 2050, 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. 2000, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2000, 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, 1 (Chun Oakland).

**SCRep. 3257 Ways and Means on H.B. No. 2371**

The purpose and intent of this measure is to reduce the tax burden on the lowest income residents of the State.

More specifically, this measure:

- (1) Amends the amount and threshold of the refundable food/excise tax credit;
- (2) Amends the amount and threshold of the income tax credit for low-income household renters;
- (3) Establishes a low-income tax credit to eliminate or reduce the state income tax liability of taxpayers who meet certain income requirements; and
- (4) Establishes a state earned income tax credit.

Your Committee received testimony in support of this measure from Aloha United Way, Catholic Charities Hawaii, Goodwill Industries of Hawaii, Inc., Hawaii Alliance for Community-Based Economic Development, Hawaii Appleseed Center for Law and Economic Justice, Hawaii State Democratic Women's Caucus, ILWU Local 142, League of Women Voters of Hawaii, Partners in Care, PHOCUSED, and four individuals. The Department of Taxation and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that, among states that impose an income tax, the income threshold at which a Hawaii resident becomes subject to the state income tax is one of the lowest in the nation. Your Committee also finds that this measure will provide tax relief to low-income taxpayers by amending existing tax credits and establishing new tax credits to reduce their tax burden.

Your Committee has amended this measure by:

- (1) Changing all tax credit and threshold amounts to unspecified amounts; and
- (2) 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 H.B. No. 2371, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2371, 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 (Slom). Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3258 Judiciary and Labor on H.B. No. 2205**

The purpose and intent of this measure is to deter property crimes in the State by removing the option of a sentence of probation of five years for a conviction of habitual property crime.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Kailua Neighborhood Board No. 31; Waimanalo Agricultural Association; and twenty-nine individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender, Community Alliance on Prisons, and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that property crimes have been a continual problem in Hawaii. Although studies have shown that the rates of offenses have decreased in recent years, the Federal Bureau of Investigation reported in 2012 that Hawaii ranked thirty-one out of fifty-two jurisdictions when it came to the amount of property crimes at a rate per one hundred thousand inhabitants. This measure will strengthen the habitual property crime statute and further deter individuals from repeatedly committing property crimes.

Your Committee notes the concerns raised by the Office of the Public Defender that eliminating the option of probation for a habitual property crime conviction could prevent a defendant from taking advantage of services offered through the Judiciary's Hawaii's Opportunity Probation with Enforcement (HOPE) Probation program, Drug Court, Mental Health Court, and Veterans Treatment Court. Your Committee strongly supports the services offered through these programs. Thus, your Committee believes that

the sentencing option of probation should be reinstated so that defendants convicted of habitual property crimes can greatly benefit from participation in these programs. In reinstating the option for probation, your Committee suggests, without the intent of limiting the court's discretion, that when sentencing a defendant for a term of probation for conviction of a habitual property crime, the court consider sentencing the defendant to the HOPE Probation program, Drug Court, Mental Health Court, and Veterans Treatment Court, if appropriate.

While your Committee recognizes that the total number of property crimes may be decreasing, a number of neighborhoods, especially those located on Oahu, still experience a high occurrence of theft. Your Committee notes the volume of written testimony submitted by neighborhood residents regarding their experience with property crimes and requesting stronger sentences for habitual property crime offenders, including mandatory minimum terms of imprisonment.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 708-803, Hawaii Revised Statutes, relating to habitual property crimes, to reinstate the option of probation and establish that the sentence for a conviction of a habitual property crime shall be:
  - (A) A mandatory minimum term of one year; or
  - (B) A term of probation of five years with conditions to include but not be limited to one year of imprisonment;
- (2) Adopting the language suggested by the Department of the Prosecuting Attorney of the City and County of Honolulu to make conforming amendments to section 706-606.5, Hawaii Revised Statutes, thereby making sentencing of repeat offenders pursuant to that section inapplicable to the offenses of criminal property damage in the third degree, theft in the third degree, and misdemeanor shoplifting; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2205, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2205, 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, 3 (Ihara, Solomon, Slom).

**SCRep. 3259      Judiciary and Labor on H.B. No. 2262**

The purpose and intent of this measure is to authorize the Department of Health to disclose lists of names of persons whose deaths have been recorded by the Department to state agencies that maintain official lists of persons and are prohibited by federal law from sharing information from the lists.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Budget and Finance, and Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that allowing the Department of Health to report deaths to state agencies that maintain official lists that are confidential under federal law would assist state agencies to maintain accurate lists. Your Committee further finds that accurate death validation is necessary to ensure that enrollee and dependent beneficiary data reflect updated and timely information in order to prevent the overpayment of benefits. This measure will benefit state agencies in their death validation process and data cleansing efforts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2262, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 3260      Judiciary and Labor on H.B. No. 2243**

The purpose and intent of this measure is to allow qualified entities to request state and national fingerprint-based criminal history record checks on their applicants, employees, and volunteers who provide care for children, vulnerable adults, or individuals with disabilities, and to receive the results directly.

Your Committee received testimony in support of this measure from the Department of the Attorney General and Department of Human Services.

Your Committee finds that Section 5119a of the National Child Protection Act of 1993, Public Law No. 103-209, as amended, authorizes public, private, nonprofit, or for-profit entities to submit requests for fingerprint-based criminal history record checks on their applicants, employees, and volunteers who provide care to children, vulnerable adults, or individuals with disabilities. Generally, an authorized government agency must receive the results and make the suitability determination. This measure will allow information to be provided directly to a non-governmental agency upon receipt of a waiver from the individual on whom the criminal history record check is being run. Your Committee finds that this measure will allow Hawaii's qualified entities to make better and faster decisions in situations that may affect the safety and well-being of Hawaii's children, the elderly, and individuals with disabilities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2243, H.D. 1, 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 (Galuteria, Slom).



**SCRep. 3261      Judiciary and Labor on H.B. No. 1579**

The purpose and intent of this measure is to clarify that money judgments, orders, and decrees are valid liens against all real property, including registered property, when properly recorded in the Bureau of Conveyances.

Your Committee received testimony in support of this measure from the Collection Law Section of the Hawaii State Bar Association and one individual.

Your Committee finds that the current process for a judgment creditor to encumber the property of a judgment debtor that has been registered with the Land Court is complex and burdensome. This measure simplifies the process for judgment creditors to attach money judgment liens to registered property without having to amend the judgment or attach a flysheet when presenting the judgment to the Assistant Registrar of the Land Court. This streamlined process will therefore reduce confusion and save time and money for attorneys, individuals, and businesses.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1579, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 3262      Ways and Means on S.C.R. No. 31**

The purpose and intent of this measure is to require the Auditor to conduct a sunrise review of the licensure and regulation of herbal therapists.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, 'A'ali'i Group, and seven individuals.

Senate Bill No. 195 (2013) and Senate Bill No. 2439 (2014) both propose the licensure and regulation of herbal therapists in Hawaii. Your Committee finds that herbal therapists are involved in the health care of individuals through the use and application of herbal formulas and practices. Your Committee further finds that herbal therapists are not presently required to be licensed, certified, or regulated by the State.

Section 26H-6, Hawaii Revised Statutes, requires new measures that would subject unregulated professions to licensing or other regulatory controls to be referred to the Auditor for analysis. Accordingly, your Committee finds that an Auditor's sunrise analysis of the proposed licensure and regulation of herbal therapists will set forth the probable effects of the proposed regulatory measure, assess whether regulation is reasonably necessary to protect consumers, and assess whether alternate forms of regulation are 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 concurs with the intent and purpose of S.C.R. No. 31, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3263      Ways and Means on S.C.R. No. 46**

The purpose and intent of this measure is to request the Auditor to conduct a sunrise review of the regulation of veterinary technicians and the practice of veterinary technology.

Your Committee received written comments in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Board of Veterinary Examiners, and Hawaii Veterinary Medical Association.

Your Committee finds that veterinary technicians and the practice of veterinary technology are not currently licensed or regulated in the State. Your Committee also finds that Senate Bill No. 2502, S.D. 1 (2014), proposes to establish requirements for the regulation of veterinary technicians and the practice of veterinary technology. Section 26H-6, Hawaii Revised Statutes, requires that new measures that would subject unregulated professions and vocations to licensing or other regulatory controls be referred to the Auditor for a sunrise review. Your Committee further finds that the requested sunrise review is a necessary step in establishing regulation of veterinary technicians and the practice of veterinary technology, which will improve the level of care of animals in 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 concurs with the intent and purpose of S.C.R. No. 46 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3264      Ways and Means on S.C.R. No. 56**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a lease, for a term coextensive with the term of the ground lease, for the fast lands adjacent to Pacific Shipyards covering a portion of state submerged lands.

Your Committee received written comments in support of this measure from Pacific Shipyards International; the Ship Repair Association of Hawaii; Pacific Marine; four individuals representing Navatek, Ltd.; and seventy-six individuals. Written comments in opposition to the measure were submitted by the Department of Land and Natural Resources. The Department of Transportation submitted written comments.

Your Committee finds that Pacific Shipyards International, which operates the only commercial ship repair facility in Honolulu Harbor, is being relocated by the State from Pier 41 to Piers 24 through 26. Your Committee further finds that submerged lands for

property bound by Piers 24 through 26 are contemplated to be used for shipyard drydock operations and vessels under repair as part of the lease agreement. Your Committee understands that the Legislature's adoption of this measure will satisfy the requirement of section 171-53, Hawaii Revised Statutes, that the Legislature provide authorization by concurrent resolution prior to the leasing of state submerged lands.

Your Committee has amended this measure by:

- (1) Clarifying that the measure authorizes the Department of Transportation, with the prior approval of the Board of Land and Natural Resources, to issue the lease; and
- (2) Providing that a certified copy of the measure be transmitted to the Director of Transportation, in addition to the Chairperson of the Board of Land and Natural Resources.

As 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. 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, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 3265 Ways and Means on S.C.R. No. 99**

The purpose and intent of this measure is to request various public and private entities to collaborate and produce a comprehensive statewide housing plan to address the housing shortage identified by the 2011 Hawaii Housing Planning Study.

The measure also requests the:

- (1) Hawaii Housing Finance and Development Corporation, the Hawaii Community Development Authority, the Hawaii Public Housing Authority, the Department of Hawaiian Home Lands, the counties, other government entities, private sector housing developers, and community organizations to brief the Legislature of their progress in June 2014 and January 2015; and
- (2) Senate Committee on Human Services; the Senate Committee on Economic Development, Government Operations and Housing; the House of Representatives Committee on Housing; and any other legislative standing committees to host informational briefings in June 2014 and January 2015 to provide the public the opportunity to hear about the ongoing plans for housing development in Hawaii.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, and State Council on Developmental Disabilities. The Hawaii Community Development Authority and the Building Industry Association of Hawaii submitted written comments.

According to the 2011 Hawaii Housing Planning Study, as many as fifty thousand new housing units need to be built by 2016 to meet the new demand generated by changing demographics and economic conditions. Your Committee finds that addressing Hawaii's housing needs will be a challenge due to the number of units needed to meet demand and the various barriers that can prevent development and preservation of needed affordable housing. Your Committee believes that this measure will facilitate a coordinated effort between government agencies, the private sector, and community organizations to make substantial and effective progress toward addressing Hawaii's housing crisis.

As 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. 99 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 3266 Ways and Means on S.C.R. No. 38**

The purpose and intent of this measure is to urge the Board of Regents of the University of Hawaii not to raise student fees to balance the budget of the University of Hawaii's athletic department or the budget deficit of any other University of Hawaii department.

Your Committee received written comments in support of this measure from the University of Hawaii.

Your Committee finds that the University of Hawaii athletics department is facing a potential budget deficit of \$2,000,000, partly as a result of a shortfall in projected football ticket revenues and its inability to generate sufficient monies through fundraising. Your Committee further finds that University of Hawaii officials have publicly stated that the University may raise student fees in order to offset the athletics department's deficit, in addition to the \$50 per semester fee that students already contribute to the athletics department. Your Committee believes that students should not be asked to shoulder the burden of making up for the budget deficit of the athletics department or budget deficit of any other department of the University of Hawaii.

As 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. 38 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 3267 (Majority) Ways and Means on S.C.R. No. 120**

The purpose and intent of this measure is to urge the Governor to enter into a public-private partnership agreement for the planning, design, construction, and financing of a new system of correctional facilities.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services; the Department of Budget and Finance; the Department of Public Safety; and the Department of the Prosecuting Attorney for the City and County of Honolulu.

Your Committee finds that Hawaii's aging and deteriorating correctional facilities are not equipped to accommodate the current prison population. This has caused many Hawaii prisoners to be sent to other states and resulted in major disruptions to their families and society as a whole. In order to return Hawaii prisoners that have been sent to private mainland prisons and to avoid any federal intervention, Hawaii's correctional facilities need to be upgraded with modern capabilities, such as reentry centers, reporting centers, treatment centers, prisons, jails, and halfway homes, that are to be operated by the State and its counties.

Your Committee has amended this measure by:

- (1) Changing the title and purpose of the measure to request the Governor to explore a competitively procured public-private partnership agreement for a new system of correctional facilities;
- (2) Adding language requesting the Governor to explore different public-private partnership models, including those that may involve partial public funding or joint development;
- (3) Deleting language expressing the Legislature's support for future appropriations and land or property agreements that may include sales, exchanges, leases, or any combination thereof that may be necessary for the Department of Public Safety to meet future payment obligations under the agreement;
- (4) Adding language that expresses the Legislature's support for the construction of correctional facilities statewide under a public-private partnership agreement that the Governor and the Legislature deems to be in the best interest of the State;
- (5) Requesting relevant state departments to offer to hold an informational briefing for the Senate Committees on Public Safety, Intergovernmental and Military Affairs, and Ways and Means, and the House Committees on Public Safety and Finance, at least thirty days before issuance of the request for proposals;
- (6) Deleting the requested deadlines for the State to issue a request for proposals and select a private partner to accomplish the goal of providing Hawaii with a new, state of the art, system of correctional facilities, and requesting the State to submit the selected offer to the Legislature as soon as possible;
- (7) Requesting the Governor to submit a report of any findings, recommendations, plans, and proposed legislation to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015; and
- (8) Making technical nonsubstantive changes 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. 120, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 120, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (English, Kouchi).

**SCRep. 3268 Ways and Means on S.C.R. No. 116**

The purpose and intent of this measure is to request the Hawaii Access to Justice Commission to convene a working group to develop an educational loan repayment program for William S. Richardson School of Law graduates to expand opportunities to pursue public interest careers in Hawaii for the benefit of underserved communities.

Your Committee received written comments in support of this measure from the University of Hawaii at Manoa William S. Richardson School of Law; Hawaii Access to Justice Commission; Hawaii Appleseed Center for Law and Economic Justice; Community Alliance on Prisons; and Students for Public Outreach and Civic Education - Richardson School of Law.

Your Committee finds that there is strong interest in the practice of public interest law among Hawaii lawyers, including students of the William S. Richardson School of Law. However, Hawaii's high cost of living makes it difficult for many Hawaii lawyers to endure the low compensation of public interest law careers. Your Committee further finds that an educational loan repayment program would encourage more graduates to remain in the islands and practice public interest law and reaffirm the State's commitment to ensure equal access to its courts. Your Committee believes that this measure will initiate activities to attract more lawyers to engage in public interest work and reduce the financial burdens of choosing a career in public interest 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 concurs with the intent and purpose of S.C.R. No. 116 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 3269 Ways and Means on H.B. No. 2598**

The purpose and intent of this measure is to:

- (1) Rename the Hawaii 3R's school repair and maintenance fund as the Hawaii 3R's school improvement fund; and
- (2) Require the transfer of moneys collected pursuant to section 235-102.5(b), Hawaii Revised Statutes, and any other moneys received in the form of grants and donations for school-level improvement and minor repairs and maintenance to the Hawaii 3R's school improvement fund.

Your Committee received written comments in support of this measure from the Department of Education, Hawaiian Electric Company, and Hawaii 3R's.

Your Committee finds that the State's public schools need many physical improvements and that section 235-102.5(b), Hawaii Revised Statutes, enables taxpayers to make donations for school repairs and maintenance by checking a box on their individual income tax returns. These donations from taxpayers have allowed Hawaii 3R's to complete many badly-needed school improvements. This measure ensures that taxpayer donations for school repairs and maintenance are transferred to the Hawaii 3R's school improvement fund so those activities will continue. However, your Committee believes that requiring all grants or donations for school improvements and minor repairs and maintenance to be transferred to Hawaii 3R's would create a bottleneck for school or community organizations wanting to directly assist schools with their campus improvement projects.

Your Committee has amended this measure by:

- (1) Amending section 302A-1504.5, Hawaii Revised Statutes, to allow, rather than require, the Department of Education to transfer to the Hawaii 3R's school improvement fund any grants and donations for school repairs and maintenance, other than the donations received pursuant to section 235-102.5(b);
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Your Committee believes that the amended measure will provide the Department of Education with the flexibility to transfer the grants and donations to Hawaii 3R's for the projects that would most benefit from Hawaii 3R's' involvement.

As affirmed by the record of votes of the members 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. 2598, 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. 2598, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kouchi, Ruderman).

**SCRep. 3270 Ways and Means on H.B. No. 2581**

The purpose and intent of this measure is to determine innovative approaches to providing access to health care in Hawaii.

Specifically, this measure:

- (1) Establishes a state innovation waiver task force to develop a health care reform plan for Hawaii that meets requirements for obtaining a state innovation waiver under the federal Patient Protection and Affordable Care Act (PPACA);
- (2) Requires the task force to report its findings and recommendations to the Legislature; and
- (3) Makes an appropriation for the operations of the task force.

Your Committee received written comments in support of this measure from the Office of the Governor and The Chamber of Commerce Hawaii. Hawaii Medical Service Association submitted written comments on the measure.

Your Committee finds that states are allowed to apply for and receive innovation waivers from certain health reform requirements of the PPACA. To receive an innovation waiver, a state must propose an alternative approach to providing health care that is as comprehensive and affordable as the federal requirements. Your Committee finds that Hawaii has a history of innovation in providing access to health care for its population. Your Committee believes that an innovation waiver task force would continue to build upon Hawaii's past accomplishments by determining the feasibility of alternative approaches to providing health care in Hawaii's insurance market and preparing a plan and draft application for a state innovation waiver that meets the requirements of the PPACA.

Your Committee has amended this measure by making a technical amendment to reflect language found in section 1332 of the PPACA providing for applications for state innovation waivers, to take effect for health insurance plan years beginning on or after January 1, 2017.

As affirmed by the record of votes of the members 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. 2581, 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. 2581, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3271 (Majority) Ways and Means on H.B. No. 2576**

The purpose and intent of this measure is to support charter schools in the State.

More specifically, this measure:

- (1) Establishes an income tax credit for contributions of money or in-kinds goods and services for the development of charter school facilities;
- (2) Establishes the Hawaii charter school facility development special fund; and
- (3) Appropriates funds to support the development of charter school facilities

Your Committee received written comments in support of this measure from the State Public Charter School Commission, Hawaii Public Charter Schools Network, Kamehameha Schools, Na Wai Ola Public Charter School Governing Board, and seven individuals. The Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that a scarcity of funding for the development and maintenance of facilities is a serious issue facing Hawaii charter schools. Your Committee also finds that start-up charter schools must pay for the cost of their facilities with already limited operational funds. Your Committee believes that this measure will provide a mechanism to fund the development of charter school facilities.

Your Committee has amended this measure by:

- (1) Clarifying that the cap amount applies to the amount of tax credits that may be claimed, rather than the value of contributions that may be claimed;
- (2) Clarifying that a taxpayer may not use the same contribution to claim both a charitable deduction and a tax credit under the measure; and
- (3) 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 H.B. No. 2576, 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. 2576, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Chun Oakland).

**SCRep. 3272 Ways and Means on H.B. No. 2521**

The purpose and intent of this measure is to provide resources to mitigate hazardous conditions to protect public health and safety.

Specifically, the measure appropriates funds to the Civil Defense Division of the Department of Defense to:

- (1) Cut, trim, or remove dangerous trees that pose a hazard to other properties;
- (2) Stabilize or remove unstable rock and soil hazards; and
- (3) Clean streams and waterways to mitigate or prevent flooding or other disasters.

Your Committee received written comments in support of this measure from the Department of Defense, the Civil Defense Division of the Department of Defense, and two individuals.

Your Committee finds that this measure will help the Civil Defense Division protect public safety and mitigate hazardous situations by proactively managing threats from dangerous trees, unstable rock and soil conditions, and waterway flooding.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2521, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2521, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 3273 Ways and Means on H.B. No. 2481**

The purpose and intent of this measure is to establish the Hawaii High Impact Center for Commercialization to support small businesses that are based in Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; The Chamber of Commerce of Hawaii; Spectrum Photonics; TeraSys Technologies; and Oceanit Laboratories Inc. The Hawaii Strategic Development Corporation submitted written comments on the measure.

Your Committee believes that it is vital for the State to support the advancement of technology and to encourage the growth of local businesses. Your Committee finds that the Hawaii High Impact Center for Commercialization will provide technological support to a broad range of local businesses, provide capital to support accelerated commercialization activities and business infrastructure development, and promote high-paying job opportunities in the State.

Your Committee has amended this measure by:

- (1) Broadening the scope of the accelerated commercialization activities for which the Hawaii High Impact Center for Commercialization may provide capital; and
- (2) Making technical nonsubstantive amendments for the purposes of style, 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. 2481, 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. 2481, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 3274 Ways and Means on H.B. No. 2448**

The purpose and intent of this measure is to authorize the Hawaii Housing Finance and Development Corporation to issue bonds to finance the development of infrastructure on land owned by an eligible developer whose housing project approval by the State or a county requires the construction of affordable housing.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, the Hawaii Housing Finance and Development Corporation, the Chamber of Commerce of Hawaii, and the Land Use Research Foundation of Hawaii.

Your Committee finds that this measure will help address the State's critical need for affordable housing by providing an important financing mechanism to accomplish infrastructure improvements that are often necessary to support the construction of new housing.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2448, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2448, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3275 Ways and Means on H.B. No. 2434**

The purpose and intent of this measure is to increase financial resources to support conservation and natural resource protection programs in the State.

More specifically this measure specifies that the portion of transient accommodations tax revenues currently allocated for expenditure, pursuant to agreement between the Hawaii Tourism Authority and the Board of Land and Natural Resources, for natural resources and facilities management costs related to the Hawaii Tourism Authority's strategic plan shall be:

- (1) Deposited into the special land and development fund, rather than the general fund; and
- (2) Distributed among the beach restoration special fund, state parks special fund, statewide trail and access program, and conservation and resources enforcement special fund.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Hawaii Tourism Authority, The Chamber of Commerce of Hawaii, and Hawaii Lodging and Tourism Association. The Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the Legislature enacted Act 161, Session Laws of Hawaii 2013, which modified the allocation of transient accommodations tax revenue to, among other things, provide a consistent source of funds for Hawaii to effectively market itself in a competitive tourist industry, to maintain tourist attractions, and to enhance the visitor experience. Your Committee also finds that although Act 161 set aside a portion of transient accommodations tax revenues for this purpose, it did not provide the authority to expend these funds.

Your Committee has amended this measure by:

- (1) Inserting language to specifically authorize allocations of transient accommodations tax revenues from the special land and development fund to the beach restoration special fund, state parks special fund, statewide trail and access program, and conservation and resources enforcement special fund; and
- (2) Changing the effective date to July 1, 2050, 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. 2434, 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. 2434, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3276 Ways and Means on H.B. No. 2611**

The purpose and intent of this measure is to establish a State Capitol Management Committee to oversee the financing and governance of the Hawaii State Capitol and its grounds and facilities.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services.

Your Committee finds that the facilities and grounds of the State Capitol hold historic significance, and the democratic processes that take place at the State Capitol often necessitate extended access to and operation of the capitol building. Your Committee believes that establishing a State Capitol Management Committee will ensure that the facilities and grounds of the State Capitol are secure, properly maintained, and operated in a manner that meets the needs and expectations of the general public.

Your Committee has amended this measure by:

- (1) Inserting an appropriation of an unspecified amount, to be expended by the Department of Accounting and General Services for the establishment and operation of the State Capitol Management Committee; and
- (2) Making a technical nonsubstantive change 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 H.B. No. 2611, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2611, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 3277 Ways and Means on H.B. No. 2286**

The purpose and intent of this measure is to make permanent the requirement that the counties issue affordable housing credits for each residential unit developed by the Department of Hawaiian Home Lands.

Specifically, the measure:

- (1) Repeals the sunset date of Act 141, Session Laws of Hawaii 2009;
- (2) Repeals the sunset date of Act 98, Session Laws of Hawaii 2012; and
- (3) Amends the definition of “affordable housing obligation” by specifying that the term means certain development requirements imposed by a county, regardless of the date of its enactment.

Your Committee received written comments in support of this measure from the Department of Hawaiian Home Lands. Written comments in opposition were received from the Kauai County Housing Agency.

Act 141, Session Laws of Hawaii 2009, requires the counties to issue affordable housing credits to the Department of Hawaiian Home Lands. Act 98, Session Laws of Hawaii 2012, requires the counties to issue affordable housing credits for each residential unit developed by the Department of Hawaiian Home Lands. Your Committee finds that making the provisions of Act 141 and Act 98 permanent will afford the Department of Hawaiian Home Lands greater opportunities to develop homesteads and, thus, meet its mission to return native Hawaiians to trust lands.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2014, to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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 H.B. No. 2286, 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. 2286, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kahele).

**SCRep. 3278 Ways and Means on H.B. No. 2618**

The purpose and intent of this measure is to facilitate the use of renewable energy.

More specifically, this measure establishes an income tax credit, available as either an investment or utilization credit, for each grid-connected energy storage property that is installed and placed in service in the State during a taxable year beginning after December 31, 2014. The tax credit may be used as a nonrefundable credit for the full value of the credit, or as a refundable credit with a value of seventy per cent of the credit’s total value. The tax credit shall not be available for taxable years beginning after December 31, 2025.

Your Committee received written comments in support of this measure from the Blue Planet Foundation, Bright Energy Storage Technologies, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Renewable Energy Action Coalition of Hawaii, Sempra US Gas and Power, Ulupono Initiative, and one individual. The Department of Business, Economic Development, and Tourism, Department of Taxation, Public Utilities Commission, Beacon Power, LLC, and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the existing renewable energy technologies income tax credit has been successful in fostering a sustainable local renewable energy industry that is responsible for creating jobs, catalyzing statewide energy savings, improving our environment, and reducing greenhouse gas emissions. Your Committee believes that a similar tax credit to encourage the use of grid-connected energy storage technologies and systems will help to maximize the use of indigenous renewable energy.

Your Committee has amended this measure by:

- (1) Changing the amounts of the tax credit to unspecified amounts;
- (2) Appropriating funds to the Department of Taxation for administration of the tax credit; and
- (3) 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 H.B. No. 2618, 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. 2618, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3279 Ways and Means on H.B. No. 2620**

The purpose and intent of this measure is to require and appropriate funds for the University of Hawaii Sea Grant College Program to submit a report to the Legislature updating its 1996 report on preventing and responding to oil spills.

Your Committee received written comments in support of this measure from the Department of Health. The Department of the Attorney General submitted written comments.

Your Committee finds that the recent and highly destructive molasses spill in Honolulu Harbor has underscored the need to prepare an updated spill prevention and response plan for the State. Accordingly, this measure requires the University of Hawaii Sea Grant College Program to submit to the Legislature an update of its 1996 "Hawaii's Readiness to Prevent and Respond to Oil Spills" report and provides the necessary resources to the Sea Grant College Program.

Your Committee has amended this measure by:

- (1) Adding a provision declaring that the potentially catastrophic effects of oil spills are a matter of statewide concern and therefore under the Legislature's purview pursuant to Article X, Section 6 of the Hawaii State Constitution;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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 H.B. No. 2620, 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. 2620, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 3280 Ways and Means on H.B. No. 2626**

The purpose and intent of this measure is to promote manufacturing in the State by temporarily establishing a nonrefundable income tax credit for taxpayers who incur certain expenses for manufacturing products in Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, High Technology Development Corporation, The Chamber of Commerce of Hawaii, Hawaii Farm Bureau Federation, KYD, Inc., and Meadow Gold Dairies. The Department of Taxation, Hawaii Strategic Development Corporation, and Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that there is a need for Hawaii to develop and support its manufacturing industry. This is evidenced by the fact that Hawaii imports over ninety per cent of the products consumed in the State each year. Your Committee also finds that there is a great demand outside the State for products that are made in Hawaii. Your Committee believes that this measure will assist in the development of manufacturing in Hawaii.

Your Committee has amended this measure by:

- (1) Requiring that a taxpayer who claims the tax credit, for purchasing equipment used to manufacture tangible personal property in the State, place the equipment into service within one year after the date of purchase;
- (2) Clarifying that the tax credit may not be claimed for the purchase of equipment for which another taxpayer in the State has previously claimed the tax credit;
- (3) Excluding, from the tax credit, costs related to electricity production;
- (4) Appropriating funds to the Department of Business, Economic Development, and Tourism to administer the certification of claims for the tax credit; and
- (5) 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 H.B. No. 2626, 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. 2626, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3281 Ways and Means on H.B. No. 2400**

The purpose and intent of this measure is to provide temporary disability benefits to employees who are disabled due to organ donation.

Your Committee received written comments in support of this measure from the Department of Human Resources Development, Department of Labor and Industrial Relations, United Public Workers, Legacy of Life Hawaii, and two individuals.

Your Committee finds that organ donations save lives but can temporarily disable donors, who are not covered by the existing temporary disability benefits law. Accordingly, your Committee believes this measure will provide relief and support to recovering organ donors.

Your Committee has amended this measure by:



- (1) Making a conforming amendment to section 392-6, Hawaii Revised Statutes, regarding the definition of “individual in current employment”; and
- (2) Changing the effective date to July 1, 2050, 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. 2400, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2400, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3282 Ways and Means on H.B. No. 2426**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the planning, design, and construction of biosecurity facilities at harbors and airports throughout the State.

Your Committee received written comments in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Department of Transportation, Hawaii Farm Bureau Federation, Hawaii Floriculture and Nursery Association, The Nature Conservancy of Hawaii, and one individual. Able Freight Services Inc. and the Airlines Committee of Hawaii submitted written comments on the measure.

Your Committee finds that invasive species are a constant threat to Hawaii’s natural environment, economy, and the health and lifestyle of its people. The introduction and proliferation of invasive pests can devastate crops and native species, spread disease, and require the quarantine of agricultural products. Your Committee further finds that Hawaii’s airports and harbors must be provided with the necessary resources, facilities, and infrastructure to prevent additional invasive species from entering Hawaii.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum to facilitate further discussion on the 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 H.B. No. 2426, 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. 2426, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3283 Ways and Means on H.B. No. 2365**

The purpose and intent of this measure is to authorize the State Fire Council to establish statewide protocols for fire safety.

Specifically, the measure requires the State Fire Council to:

- (1) Establish statewide qualifications and procedures for testing, certifying, and credentialing individuals who conduct maintenance testing on fire extinguishers, fire protection systems, and fire alarm systems; and
- (2) Develop, implement, and coordinate a statewide system to promote the effective use of fire and life safety resources.

Your Committee received written comments in support of this measure from the Hawaii State Fire Council.

Your Committee finds that fire extinguishers, fire protection systems, and alarm systems require routine maintenance to protect building occupants under emergency conditions and to ensure reliable operability when utilized by fire department personnel. Your Committee believes that this measure will help ensure that individuals who conduct this routine maintenance meet nationally recognized minimum competency standards.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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 H.B. No. 2365, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2365, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3284 Ways and Means on H.B. No. 2363**

The purpose and intent of this measure is to establish a pilot project to demonstrate the cost-effectiveness of providing a coordinated system of reentry treatment and support services to help nonviolent, low-risk drug offenders transition from jail or prison back into the community.

Your Committee received written comments in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Hawaii Substance Abuse Coalition; and Community Alliance on Prisons. The Department of Public Safety submitted written comments on the measure.

Your Committee finds that nonviolent, low-risk drug offenders can be effectively and safely transitioned from jail or prison back into the community with the help of a comprehensive and coordinated continuum of evidence-based treatment services. Your Committee believes that this pilot project may not only help to reduce costs to the State, but may also break the costly cycle of offender drug use, crime, and incarceration by significantly reducing recidivism and providing nonviolent, low-risk drug offenders with the appropriate treatment to transition back into the community and maintain further recovery.

Your Committee has amended this measure by:

- (1) Requiring the Department of Public Safety to submit an annual report to the Legislature of its findings and recommendations, including any proposed legislation; and
- (2) Changing the effective date to July 1, 2050, 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. 2363, 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. 2363, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Kahale, Kouchi).

**SCRep. 3285 Ways and Means on H.B. No. 2338**

The purpose and intent of this measure is to amend the tax credit for research activities.

More specifically, this measure:

- (1) Clarifies that the tax credit is not available for research conducted outside of the State;
- (2) Eliminates the requirement that the Department of Taxation certify all research credit claims;
- (3) Clarifies that failure of the taxpayer to submit the required survey to the Department of Business, Economic Development, and Tourism is a waiver of the right to claim the tax credit; and
- (4) Expands the information required to be submitted in the survey, by requiring the taxpayer to include the amount of tax credits claimed by the taxpayer pursuant to the tax credit for research activities.

Your Committee received written comments in support of this measure from the Department of Taxation and High Technology Development Corporation. The Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that Act 270, Session Laws of Hawaii 2013, reenacted the state tax credit for research activities. The tax credit is applicable to expenses incurred for qualified research activities after December 31, 2012, but is not available for taxable years beginning after December 31, 2019. Your Committee believes that this measure provides clarification for taxpayers seeking to claim the credit and will help to streamline administration of the tax credit.

Your Committee has amended this measure by deleting the definition of "basic research."

As affirmed by the record of votes of the members 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. 2338, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2338, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3286 Ways and Means on H.B. No. 2294**

The purpose and intent of this measure is to extend the nursing facility sustainability program for an additional year and to appropriate funds from the nursing facility sustainability program special fund to assist the program in leveraging federal funds.

Your Committee received written comments in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, Hawaii Long Term Care Association, the Healthcare Association of Hawaii, the Hawaii Primary Care Association, and The Chamber of Commerce of Hawaii.

Your Committee finds that the nursing facility sustainability program has increased medicaid payments to nursing facilities by assessing a fee on nursing facilities, using that revenue to obtain matching federal Medicaid funds, and then returning most of those funds to the nursing facilities. Extending the nursing facility sustainability program for an additional year will allow the reimbursements to continue and will help ensure that nursing facilities in the State remain a critical part of the long-term care safety net.

Your Committee has amended this measure by:

- (1) Establishing a repeal date of December 31, 2015, for the amendments made to sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, in sections 3 and 4 of the measure;
- (2) Changing the appropriation to an unspecified amount;
- (3) Changing the effective date to June 29, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of style, 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. 2294, 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. 2294, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 3287 Ways and Means on H.B. No. 2288**

The purpose and intent of this measure is to allow the Department of Hawaiian Home Lands to lease any department-owned or -controlled improvements, or space within an improvement, on Hawaiian home lands through direct negotiations and at a fair market rent for a period of not more than five years.

Your Committee received written comments in support of this measure from the Department of Hawaiian Home Lands.

Your Committee finds that the Department of Hawaiian Home Lands owns many buildings and warehouses whose general leases are set to expire and that it is not feasible for the Department of Hawaiian Home Lands to enter into short-term leases for the space. Your Committee believes that this measure will allow the Department of Hawaiian Home Lands greater flexibility in generating sufficient revenue to carry out the purposes of the Hawaiian Homes Commission Act of 1920, as well as accelerate the development of Hawaiian homestead lands for the benefit of native Hawaiians.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2288, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2288, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Thielen). Noes, none. Excused, none.

**SCRep. 3288 Ways and Means on H.B. No. 1943**

The purpose and intent of this measure is to eliminate technical and economic barriers that prevent customer-generators from interconnecting to the Hawaii electric grid in a timely manner.

Specifically, this measure:

- (1) Amends the Public Utilities Commission principles regarding the modernization of the electric grid;
- (2) Requires the Public Utilities Commission to initiate regulatory actions no later than July 1, 2014, to address upgrades to the Hawaii electric system for anticipated growth of customer generation; and
- (3) Appropriates funds to the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs for the costs of the regulatory actions initiated by the Commission.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, the Public Utilities Commission - Department of Budget and Finance, Renewable Energy Action Coalition of Hawaii, Hawaii Solar Energy Association, Inter-Island Solar Supply, Sierra Club of Hawaii, Blue Planet Foundation, and one individual. Written comments in opposition were received from Hawaiian Electric Company, Inc. and one individual. The Hawaii Renewable Energy Alliance submitted written comments on the measure.

Your Committee finds that it is in the public interest to increase customer generation of electricity in Hawaii, which will decrease the State's dependency on imported oil, promote the development of clean energy sources, create jobs, foster economic development, and help address the State's future energy needs.

Your Committee further finds that removing technical and economic barriers that prevent customer-generators from interconnecting to the Hawaii electric system will prevent a loss of jobs in the solar energy industry and help the State meet its clean energy goals.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to unspecified sums;
- (2) Clarifying that the appropriation to the Department of Commerce and Consumer Affairs shall be expended by the Division of Consumer Advocacy;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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 H.B. No. 1943, 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. 1943, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3289 Ways and Means on H.B. No. 1931**

The purpose and intent of this measure is to remediate macadamia nut felted coccid infestations.

Specifically, the measure appropriates:

- (1) \$360,000 for the Department of Agriculture; and
- (2) \$735,000 for the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa,

to research and develop methods for the prevention and treatment of macadamia felted coccid infestations.

Your Committee received written comments in support of this measure from the Department of Agriculture, the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, the Hawaii Macadamia Nut Association, the Hawaii Farm Bureau Federation, Royal Hawaiian Services LP, the Edmund C. Olson Trust II, Royal Hawaiian Orchards LP, OK Farms LLC, and five individuals.

Your Committee finds that the uncontrolled spread of the macadamia felted coccid can cause severe damage to macadamia nut trees. Your Committee further finds that current treatment methods have been unsuccessful in suppressing infestations of this dangerous insect. Your Committee believes that the funds appropriated by this measure will assist in developing new methods to prevent the macadamia felted coccid from spreading throughout the State and causing costly damage to the macadamia nut industry.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts; and
- (2) Changing the lapsing date of the appropriations from June 30, 2017, to 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 H.B. No. 1931, 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. 1931, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3290 Ways and Means on H.B. No. 1885**

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources to plan infrastructure improvements to the passive recreation area of the Sand Island State Recreation Area.

The Department of Land and Natural Resources submitted written comments in support of this measure.

Your Committee finds that pockets of urban recreational space that serve Oahu's growing population are increasingly rare and should be preserved and enhanced with safe and well-managed infrastructure. Your Committee further finds that the remaining undeveloped portion of the Sand Island State Recreation Area should be furnished with fundamental infrastructure, such as roadway access, parking facilities, utilities, showers, and comfort stations, to ensure that this area remains available and accessible for public use.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum; 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 H.B. No. 1885, 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. 1885, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 3291 Ways and Means on H.B. No. 1868**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds to retrofit public school facilities for use as emergency shelters.

Your Committee received written comments in support of this measure from the Department of Defense - Civil Defense Division, Department of Defense, Disability and Communication Access Board, Manoa Neighborhood Board, Hector H. Venegas Ent. Ltd., Manoa Disaster Preparedness Team, and one individual.

Your Committee finds that retrofitting public school facilities to meet emergency shelter standards is a necessary and critical preparation for natural disasters and other emergencies. Your Committee further finds that retrofitting these facilities is especially important for the safety of disabled persons and others whose mobility is limited or who have special needs.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 1868, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1868, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahale, Kouchi).

**SCRep. 3292 Ways and Means on H.B. No. 1811**

The purpose and intent of this measure is to authorize the Department of Transportation to extend the time period that it may amend concession contracts, leases, or permits in exchange for revenue-enhancing improvements made by the concession business.

Your Committee received written comments in support of this measure from HMSHost Corporation, Hawaii; GRL Corporation; Island Shoppers, Inc.; Airport Concessionaires Committee; Greeters of Hawaii, Ltd.; and Tiare Enterprises, Inc.

Your Committee finds that Hawaii's airport concessions lack the modernization and improvements necessary to meet passenger needs and demands. Act 46, Session Laws of Hawaii 2012, authorized the Department of Transportation to negotiate and reach agreements with concessions to extend the terms of their leases or permits in exchange for revenue-enhancing improvements. Act 46 will sunset on July 1, 2014. However, the Department of Transportation and the concession businesses require additional time to review proposals and to obtain the necessary approvals. Extending the repeal date of Act 46, Sessions Laws of Hawaii 2012, will provide all parties with the additional time to properly complete their negotiations.

Your Committee has amended this measure by:

- (1) Changing the repeal date of Act 46, Session Laws of Hawaii 2012, to an unspecified date;
- (2) Changing the effective date to June 30, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of style, 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. 1811, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1811, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Thielen). Noes, none. Excused, none.

**SCRep. 3293 Ways and Means on H.B. No. 1848**

The purpose and intent of this measure is to require all general excise tax monthly returns to be filed electronically, beginning January 1, 2015.

The measure also authorizes the Director of Taxation to assess an administrative fee on a monthly return that is filed manually.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii. The Department of Taxation, the State of Hawaii Disability and Communication Access Board, the Tax Foundation of Hawaii, and one individual provided comments on the measure.

Your Committee finds that the most efficient method of receiving tax returns is via electronic transmission, which requires significantly less resources to process than paper returns. Your Committee believes that this measure will help ensure prompt payment of general excise taxes due to the Department of Taxation.

Your Committee has amended this measure by:

- (1) Requiring monthly filers to also electronically file their annual returns;
- (2) Authorizing the Department of Taxation to waive the administrative fee for good cause shown, including disability-related causes;
- (3) Allowing taxpayers to sign documents electronically;
- (4) Reducing the threshold amount for mandatory electronic payment of taxes from \$100,000 of tax liability per taxable year to \$25,000 of tax liability per taxable year; and
- (5) Making technical nonsubstantive changes 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 H.B. No. 1848, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1848, 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, 1 (Chun Oakland).

**SCRep. 3294 Ways and Means on H.B. No. 1993**

The purpose and intent of this measure is to reduce domestic violence and to protect minors and other household members from abuse.

Specifically, the measure:

- (1) Requires police officers to make a reasonable inquiry of the family or household member upon whom the officer believes that physical abuse or harm has been inflicted, and inquire the same of any available witnesses;
- (2) Requires a police officer to order a person to leave the premises for a period of separation of forty-eight hours, regardless of whether the police officer has reasonable grounds to believe that there is probable danger of further physical abuse or harm being inflicted by one person upon a family or household member; and

- (3) Makes the commission of an act of physical abuse in the presence of a family or household member who is less than fourteen years of age a class C felony.

Your Committee received written comments in support of this measure from the County of Kauai, Office of the Prosecuting Attorney; and the County of Hawaii, Office of the Prosecuting Attorney. The City and County of Honolulu, Department of the Prosecuting Attorney submitted written comments on the measure.

Your Committee finds that domestic violence occurs at an alarming rate across the nation. The resulting physical and emotional trauma resulting from domestic violence not only affects the victims of domestic violence but also children who witness the domestic violence. Research has consistently shown that children who witness domestic violence have an increased rate of emotional, cognitive, and developmental difficulties. Your Committee believes that this measure will help deter future acts of domestic violence by family or household members and prevent the unnecessary trauma that children experience from witnessing acts of domestic violence.

Your Committee has amended this measure by:

- (1) Adding a savings clause to preserve rights and duties that matured, penalties that were incurred, and proceedings that were begun prior to the effective date;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee notes that constitutional concerns have been expressed regarding the amendment to section 709-906(4), Hawaii Revised Statutes, that would delete language that now requires a police officer to have reasonable grounds before ordering a person to leave the premises for forty-eight hours. Accordingly, your Committee respectfully recommends that the Attorney General be consulted regarding this issue.

As affirmed by the record of votes of the members 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. 1993, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1993, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kahele).

**SCRep. 3295 Ways and Means on H.B. No. 1950**

The purpose and intent of this measure is to allow seawater air conditioning district cooling systems to benefit from the State's enterprise zones program by including the production of air conditioning from a seawater air conditioning cooling system within the definition of "eligible business activity."

Your Committee received written comments in support of this measure from Honolulu Seawater Air Conditioning, Ulupono Initiative, The Chamber of Commerce of Hawaii, and one individual. Written comments in opposition to the measure were received from the Department of Business, Economic Development, and Tourism. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the purpose of the State's enterprise zones program, in part, is to stimulate business in areas that would result in neighborhood revitalization. Your Committee believes that the inclusion of seawater air conditioning district cooling systems within the enterprise zones program has the potential to generate millions of dollars in construction project spending and create significant long-term employment. Your Committee further believes that this measure will encourage the development and use of energy efficient technologies and, thus, help to reduce the State's dependence on fossil fuels.

Your Committee has amended this measure by changing the effective date from July 1, 2030, to July 1, 2050, 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. 1950, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1950, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3296 Ways and Means on H.B. No. 1966**

The purpose and intent of this measure is to require the State Auditor to report to the Legislature on the current state of the civil service exemption process and to recommend procedures, guidelines, and criteria to ensure that the exemption process is used appropriately and only in extraordinary circumstances.

Your Committee received written comments in support of this measure from the United Public Workers and the Hawaii Government Employees Association. Written comments were received from the Department of Human Resources Development.

Your Committee finds that prior legislative efforts to convert civil service exempt positions to civil service positions have resulted in only a few conversions, and further conversions are long overdue. Your Committee believes that this measure will inform the Legislature on the exemption process and ensure that the civil service exemption process is used appropriately.

Your Committee has amended this measure by:

- (1) Making conforming amendments to clarify that the scope of the measure includes the county civil service exemption processes; 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. 1966, 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. 1966, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kahele).

**SCRep. 3297 Ways and Means on H.B. No. 1951**

The purpose and intent of this measure is to extend the time within which special purpose revenue bonds may be issued for the design and construction of the seawater air conditioning district cooling system in downtown Honolulu.

Your Committee received written comments in support of this measure from Honolulu Seawater Air Conditioning, LLC, and Ulupono Initiative. The Department of Budget and Finance submitted written comments on the measure.

Your Committee finds that recent disruptions in financial markets caused Honolulu Seawater Air Conditioning, LLC, to postpone the design and construction of the seawater air conditioning district cooling system in downtown Honolulu. Honolulu Seawater Air Conditioning, LLC, expects to begin construction of the system later this year and to use all of the proceeds from the special purpose revenue bond issuance within the next three years. Your Committee finds that extending the time for the Department of Finance to authorize issuance of the special purpose revenue bonds for this project to June 28, 2019, will provide the necessary funding for this renewable energy project.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 1951, 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. 1951, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 3298 Ways and Means on H.B. No. 2012**

The purpose and intent of this measure is to regulate event ticket sales practices and prohibit ticket scalping to protect Hawaii consumers.

Specifically, this measure:

- (1) Prohibits the sale of event tickets for an amount greater than the price of the ticket plus taxes and a reasonable service charge;
- (2) Establishes the earliest time that a ticket sale for an event may occur;
- (3) Establishes disclosure requirements for the sale of tickets through an internet website by a person other than the primary ticket seller; and
- (4) Prohibits the use of illicit computer software to circumvent online ticket purchase processes.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs. The City and County of Honolulu Department of Enterprise Services and eBay, Inc. submitted written comments on this measure.

Your Committee finds that the resale of event tickets in excess of the amount paid to the primary ticket seller hurts consumers, venues, and performers while only benefitting ticket scalpers. Your Committee further finds that this measure will help to protect Hawaii consumers by providing tools for authorities to investigate and prosecute illegal and unfair ticket selling practices.

Your Committee has amended this measure by:

- (1) Clarifying that ticket sales shall not commence until the later of 8:00 a.m. Hawaiian standard time or before the primary ticket seller commences ticket sales;
- (2) Expanding the internet website disclosure requirements to include non-primary ticket seller internet websites that make direct ticket sales; and
- (3) Making technical nonsubstantive amendments for the purposes of style, 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. 2012, 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. 2012, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 3299 Ways and Means on H.B. No. 2007**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii for the Local and Immigrant Farmer Education Program.

Your Committee received written comments in support of this measure from the Department of Agriculture; the University of Hawaii College of Tropical Agriculture and Human Resources; the Hawaii Farm Bureau Federation; Ulupono Initiative; Hawaii Farmers Union United; Kako'o Oiwi; and five individuals. Two individuals submitted written comments on the measure.

Your Committee finds that many producers do not have the essential tools and capabilities to successfully integrate into mainstream agriculture. The valuable agricultural knowledge and support that Cooperative Extension Service Agents provide has not only supported a revitalization of the agriculture industry but has also increased the viability and sustainability of commercial farms in Hawaii. Therefore, your Committee believes that this measure will further the Local and Immigrant Farmer Education Program's goal to assist growers in becoming self-directed, active information seekers and adopters of new research-based advances.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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 H.B. No. 2007, 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. 2007, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3300 Ways and Means on H.B. No. 2009**

The purpose and intent of this measure is to establish a minimum reserve requirement in the milk control special fund that provides funding to cover all the costs of administering the State's Milk Control Act and to require that audits be included as a contingency cost covered by the minimum reserve.

Your Committee received written comments in support of this measure from the Department of Agriculture, the Hawaii Farm Bureau Federation, and Ulupono Initiative.

Your Committee finds that the milk industry is critical to food security and self-sustainability in Hawaii. Proper oversight and adequate funding of the milk control special fund will effectively allow administration of the Milk Control Act as well as cover contingency costs, such as audits. Your Committee believes that this measure will support the local dairy industry and ensure that milk remains a source of vital nutrition to Hawaii residents.

Your Committee has amended this measure by:

- (1) Changing the minimum reserve from \$300,000 to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes 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 H.B. No. 2009, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2009, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3301 Ways and Means on H.B. No. 1934**

The purpose and intent of this measure is to address homelessness in the State.

Specifically, the measure:

- (1) Appropriates funds to the Department of Health for substance abuse treatment, mental health support services, and clean and sober housing services;
- (2) Appropriates funds to the Hawaii Public Housing Authority for a rental assistance program, also known as a shallow subsidy program;
- (3) Appropriates funds to the Department of Human Services to continue to administer Housing First programs for chronically homeless individuals and for the homelessness prevention and rapid re-housing program;
- (4) Appropriates matching funds to the Department of Human Services for the federal continuum of care permanent supportive housing programs to provide rental assistance in connection with supportive services;
- (5) Appropriates funds to the Hawaii Housing Finance and Development Corporation for innovative housing solutions related to the homeless assistance working group's findings and recommendations; and
- (6) Transfers the homeless assistance working group from the Department of Human Services to the Legislature.

Your Committee received written comments in support of this measure from the Hawaii Substance Abuse Coalition, Catholic Charities Hawaii, United States Veterans Initiative, Hawaii Appleseed Center for Law and Economic Justice, Aloha United Way, Partners in Care, Hawaii Primary Care Association, Community Alliance for Mental Health, Catholic Diocese Office for Social Ministry, and two individuals. The Department of Health and the Department of Human Services submitted written comments on the measure.



Your Committee finds that addressing the complex and growing challenge of homelessness in Hawaii requires a multi-faceted approach that recognizes stable housing as a critical component of substance abuse treatment and recovery. Your Committee also finds that providing rent subsidies will help make permanent housing affordable for homeless families and those in transitional housing.

Your Committee further finds that innovative temporary housing solutions have value and that Housing First programs are essential to moving some of the most chronically homeless individuals into permanent housing linked with appropriate services. Your Committee believes that providing matching funds for federally funded continuum of care permanent supportive housing programs would provide housing opportunities for more than six hundred homeless individuals with disabilities.

Your Committee has amended this measure by changing the appropriation in section 4 as follows:

- (1) Deleting the appropriation for a rental assistance program, known as a shallow subsidy program, and replacing it with an unspecified appropriation for the Hawaii Public Housing Authority's rent supplement program;
- (2) Establishing a 0.75 full time equivalent (0.75 FTE) position within the Hawaii Public Housing Authority to administer the rent supplement program; and
- (3) Deleting the maximum rent subsidy limit of \$300 per month and the requirement that a household must pay a minimum of forty per cent of its adjusted gross income for rent to qualify for the subsidy.

As affirmed by the record of votes of the members 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. 1934, 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. 1934, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 3302 Ways and Means on H.B. No. 1996**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the completion of the Maui Food Innovation Center capital improvement project at the University of Hawaii Maui College.

Your Committee received written comments in support of this measure from the Hawaii Strategic Development Corporation, University of Hawaii Community Colleges, High Technology Development Corporation, Hawaii Farm Bureau Federation, and Maui County Farm Bureau.

Your Committee finds that renovating and equipping the Maui Food Innovation Center will help the center provide valuable research, planning, quality assurance, and food safety services to a wide range of farmers, ranchers, fishers, small and midsized businesses and other entrepreneurs, agricultural cooperatives, food establishments, and community members.

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 H.B. No. 1996, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1996, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 3303 Ways and Means on H.B. No. 2293**

The purpose and intent of this measure is to increase access to medical care and make Hawaii hospitals more sustainable.

Specifically, this measure:

- (1) Continues the hospital sustainability program by extending its sunset date to June 30, 2015, and the hospital sustainability program special fund to December 31, 2015;
- (2) Makes an appropriation to be used for the purposes of the hospital sustainability program; and
- (3) Exempts the hospital sustainability program special fund from the five per cent deduction assessed upon special funds for central service expenses.

Your Committee received written comments in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, Hawaii Primary Care Association, and The Chamber of Commerce of Hawaii.

Your Committee finds that the Legislature created the hospital sustainability program by enacting Act 217, Session Laws of Hawaii 2012, to increase Medicaid payments to hospitals because the existing payments did not match the actual costs of care. Your Committee further finds that the program makes hospitals more sustainable by assessing a fee on hospitals, using the revenue to obtain matching federal medicaid funds, and returning a majority of the combined amount to the hospitals.

Your Committee believes that the hospital sustainability program should be continued and enhanced. Accordingly, this measure will extend the sunset date of the program and exempt the hospital sustainability program special fund from the five per cent deduction assessed upon special funds for central service expenses.

Your Committee has amended this measure by:

- (1) Changing the percentage of the inpatient hospital sustainability fee and the amount of the appropriation for the hospital sustainability program to an unspecified percentage and unspecified sum, respectively;

- (2) Extending the repeal date of exemptions for the hospital sustainability program special fund from assessments for central service expenses and departmental administrative expenses under sections 36-27 and 36-30, Hawaii Revised Statutes, respectively, to match the repeal date of the special fund; and
- (3) Changing the effective date to June 29, 2050, 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. 2293, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2293, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kahele).

**SCRep. 3304      Ways and Means on H.B. No. 2654**

The purpose and intent of this measure is to clarify the authority of the Director of Public Safety to deduct, as victim restitution, twenty-five per cent of all moneys earned, new deposits, and credits to an inmate's individual account for restitution.

Your Committee received written comments in support of this measure from the State Crime Victim Compensation Commission, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Office of the Prosecuting Attorney of the County of Hawaii, and the Office of the Prosecuting Attorney of the County of Kauai. Written comments in opposition to this measure were received from the Department of Public Safety and the Department of the Attorney General.

Your Committee finds that studies have shown that when a defendant is held fully accountable to their crime victims by requiring payment of restitution, the recidivism rate is lower than for those defendants who are not held fully accountable.

Your Committee has amended this measure by:

- (1) Deleting the amendment to section 353-22.6, Hawaii Revised Statutes, which would have retroactively applied the restitution formula;
- (2) Placing the duty to impose the percentage amount of required victim restitution directly upon the court rather than on the Department of Public Safety;
- (3) Clarifying that this measure shall apply prospectively; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2654, 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. 2654, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3305      Ways and Means on H.B. No. 2152**

The purpose and intent of this measure is to appropriate funds for the five planetary surface initiatives and to authorize the issuance of general obligation bonds for the support and development of the Pacific International Space Center for Exploration Systems' research and development park.

Your Committee received written comments in support of this measure from The National Aeronautics and Space Administration; the Department of Business, Economic Development, and Tourism; the University of Hawaii at Hilo; a former Hawaii Governor; an Apollo 11 Astronaut; a retired National Aeronautics and Space Administration officer; and JAMSS America, Inc. The Land Use Research Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that support of the planetary initiatives will help to stimulate and diversify Hawaii's economy through the research and development of alternative products for cement, robotics, resource extraction, and dust removal technologies. Your Committee further finds that the issuance of general obligation bonds to support an aerospace research and development park will accommodate demand and interest in Hawaii's landscape for the development and testing of planetary exploration technologies.

Your Committee has amended this measure by:

- (1) Changing the specific amounts of the appropriations for the planetary surface systems initiatives to unspecified amounts to facilitate further discussion;
- (2) Changing the amount of the general obligation bonds authorized to be issued and the appropriations for the planning, design, and construction of the Pacific International Space Center for Exploration Systems' research and development park to unspecified amounts; and
- (3) Making technical nonsubstantive amendments for the purposes of style, 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. 2152, 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. 2152, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3306 Ways and Means on H.B. No. 2180**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii for the creation of a pilot project at its College of Tropical Agriculture and Human Resources, to create new technologies for sustainable agriculture in the State through scientific research and support services.

Your Committee received written comments in support of this measure from the College of Tropical Agriculture and Human Resources at the University of Hawaii; the Hawaii Farm Bureau Federation; and five individuals. The Department of Agriculture submitted written comments on the measure.

Your Committee finds that the scarcity of natural resources and threats to food security prompt the need for Hawaii to commit to using new technologies to develop different forms of sustainable agriculture. Problems such as climate change and the high cost of energy and waste management impede the development of sustainable agriculture and require farmers and agricultural producers to exhaust many of the natural resources that they depend on for agricultural production. Your Committee believes that this measure will support research on efficient methods to aid low-impact sustainable farming, including water remediation, waste water detoxification, and sustainable conversion of agricultural wastes to energy and value-added projects.

Your Committee has amended this measure by:

- (1) Specifying that the appropriated funds shall be used for phase one of a pilot project to create new technologies for sustainable agriculture in the State through scientific research and support services for an integrated agricultural system that includes development of a multi-soil-layer water remediation system, solar and biological waste water detoxification, and sustainable conversion of agricultural wastes to energy and value-added projects;
- (2) Requiring the College of Tropical Agriculture and Human Resources at the University of Hawaii to submit a report to the Legislature on its progress and findings concerning the integrated agricultural system pilot project, including any recommendations, prior to the convening of the 2015 and 2016 Regular Sessions;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes 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 H.B. No. 2180, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2180, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3307 Ways and Means on H.B. No. 2031**

The purpose and intent of this measure is to require licensed marriage and family therapists to complete a minimum of forty-five hours of continuing education courses, including six hours in ethics courses, during each licensing renewal period, beginning in 2017.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs Marriage and Family Therapists Program, American Association for Marriage and Family Therapy, Hawaii Division, and one individual.

Your Committee finds that this measure will ensure that licensed marriage and family therapists will maintain their professional competency and keep abreast of the latest developments in their profession.

Your Committee has amended this measure by:

- (1) Clarifying the scope of application regarding licensing sanctions for false certifications of compliance with the continuing education requirements;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 2031, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2031, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3308 Ways and Means on H.B. No. 2037**

The purpose and intent of this measure is to appropriate funds to the Department of Health for the continued funding of Project Kealahou.

Your Committee received written comments in support of this measure from the Department of Health; the Judiciary; Project Kealahou; Hawaii Youth Services Network; Community Alliance on Prisons; Mental Health America of Hawaii; YWCA of Oahu; and twenty-seven individuals.

Your Committee finds that Project Kealahou has proven to be an effective treatment program for young females who have experienced trauma or victimization, by providing valuable mentoring and support services to young females and their families. These services have not only helped young women cope with traumatic experiences but have also allowed other support service programs and professionals to develop similar services in their treatment plans. Your Committee further finds that an appropriation is needed to

ensure the continued success of this program and help expand the services of Project Kealahou to other areas of Oahu and the neighbor islands.

Your Committee has amended this measure by changing the effective date to July 1, 2009, 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. 2037, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2037, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kahele).

**SCRep. 3309 Ways and Means on H.B. No. 2039**

The purpose and intent of this measure is to appropriate funds to the Department of Health for the Comprehensive Breast and Cervical Cancer Control Program for breast and cervical cancer screening, education, treatment, and outreach services.

Your Committee received written comments in support of this measure from the Department of Health and the American Cancer Society - Cancer Action Network.

Your Committee finds that breast and cervical cancer screening is essential to a woman's health. The Comprehensive Breast and Cervical Cancer Control Program has not only helped to detect numerous invasive breast and cervical cancers for women who lack adequate insurance coverage, but has also promoted women's health by providing essential screening, diagnostic, and treatment services. Your Committee believes that this measure will further the Comprehensive Breast and Cervical Cancer Control Program's mission to provide breast and cervical cancer screening to medically underserved women and continue the program's success in working collaboratively with healthcare professionals to provide the highest quality breast and cervical cancer screening.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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 H.B. No. 2039, 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. 2039, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kahele).

**SCRep. 3310 Ways and Means on H.B. No. 2051**

The purpose and intent of this measure is to modify the criteria for the works of art commemorating the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink to be commissioned pursuant to Act 281, Session Laws of Hawaii 2013.

Specifically, this measure repeals the requirements that:

- (1) The work of art commemorating Senator Inouye be three dimensional and installed in time for unveiling on the second anniversary of his death; and
- (2) The respective works of art include likenesses of Senator Inouye and Representative Mink.

This measure also amends the appropriation for both works of art for the 2013-2015 fiscal biennium and establishes the State Foundation on Culture and the Arts as the expending agency.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services.

Your Committee finds that removing unnecessary restrictions on the works of art commemorating United States Senator Daniel K. Inouye and United States Representative Patsy T. Mink will provide the State Foundation on Culture and the Arts with the freedom to select and commission the most appropriate works of art to honor their lives, visions, accomplishments, impacts, and legacies.

Your Committee has amended this measure by repealing, rather than amending, section 2(e) of Act 281, Session Laws of Hawaii 2013, since the amendments made in the measure, as received by your Committee, renders the remaining provisions in section 2(e) unnecessary.

As affirmed by the record of votes of the members 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. 2051, 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. 2051, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 3311 Ways and Means on H.B. No. 2073**

The purpose and intent of this measure is to appropriate moneys to the Office of Veterans' Services for the planning, design, and construction, in consultation with the Department of Accounting and General Services, of the Hawaii Gulf War Memorial and replicas of the Hawaii Gulf War Memorial.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services; the Department of Defense, State Civil Defense; the Military Officers Association of America; and one individual.

Your Committee finds that the freedom and security that United States citizens enjoy today are the direct result of the sacrifices and continued vigilance of the United States Armed Forces over the course of our nation's history. Those sacrifices have been felt nationwide and have been recognized in Hawaii with memorials to those who fought and died in conflicts such as the Korean and Vietnam wars. Your Committee further finds that a proper memorial, such as the proposed Gulf War Memorial, will allow Hawaii residents to recognize and honor the many service members who have sacrificed for our country during recent conflicts in that part of the world.

Your Committee has amended this measure by:

- (1) Changing the means of financing for the planning, design, and construction of the Hawaii Gulf War Memorial from general revenues to general obligation bonds;
- (2) Adding a lapsing provision; and
- (3) Making a technical nonsubstantive change 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 H.B. No. 2073, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2073, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahele, Kouchi).

**SCRep. 3312 Ways and Means on H.B. No. 2074**

The purpose and intent of this measure is to authorize the Director of Finance to issue general obligation bonds, for an unspecified sum, for the purpose of partially funding the construction of a veterans long-term care facility if the federal government provides funding to assist in building the facility.

Your Committee received testimony in support of this measure from Department of Defense - State Civil Defense, Healthcare Association of Hawaii, and Military Officers Association of America.

Your Committee finds that there are more than forty-four thousand veterans in Hawaii over the age of sixty-five. Many of these veterans will or currently require long-term care. Your Committee finds that issuance of these bonds will fund the State's share of a veterans long-term care facility and will provide an economic engine to the community surrounding the facility.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2074, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2074, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3313 Ways and Means on H.B. No. 2072**

The purpose and intent of this measure is to appropriate funds to the Department of Defense for the establishment of one full-time equivalent permanent veterans coordinator position in the Office of Veterans' Services to address the various problems and needs of all veterans, with a primary focus on female veterans, who served on active duty for the full period they were activated.

Your Committee received written comments in support of this measure from the Department of Defense; the State Office of Veterans' Services; the Advisory Board to the Office of Veterans' Services; the Military Officers Association of America; and one individual.

Your Committee finds that the circumstances and challenges faced by female veterans are often different from those of their male counterparts. However, veterans' benefits have traditionally been designed to address the needs of male veterans. Furthermore, the high rate of military sexual trauma and lack of access to adequate health care upon returning from service have made clear the need for a permanent veterans coordinator position. Your Committee believes that this measure will address the needs of all veterans as well as the specific needs of female veterans and give them access to treatments and resources to allow them to successfully readjust to civilian life.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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 H.B. No. 2072, 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. 2072, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3314 (Majority) Ways and Means on H.B. No. 2059**

The purpose and intent of this measure is to amend the percentage of the conveyance tax revenue paid into the rental housing trust fund to fifty per cent after June 30, 2014.

In addition, this measure provides for an appropriation to and from the rental housing trust fund to the Hawaii Housing Finance and Development Corporation for the increase of affordable rental housing units.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation; Living Life Source Foundation; Catholic Charities Hawaii; Catholic Charities Hawaii - Office of Social Ministry; Hawaii Appleseed Center for Law and Economic Justice; Partners in Care; PHOCUSED; Community Alliance for Mental Health; Helping Hands Hawaii; Ho'omoana Foundation; and four individuals. The Department of Budget and Finance; the Department of Land and Natural Resources; The Chamber of Commerce of Hawaii; and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that there is a shortage of affordable rental housing units in the State, which has contributed to an increased rate of homelessness. This has prevented many families from receiving basic nutritional and living needs and threatened the security of low-income families at risk of being homeless. Your Committee further finds that the rental housing trust fund is not able to fund many qualified projects due to the lack of funds and that an increase in the conveyance tax percentage paid into the fund will help provide more affordable housing. Your Committee believes that this measure reflects the importance of the rental housing trust fund in addressing the growing need to provide Hawaii families with access to affordable housing.

Your Committee has amended this measure by:

- (1) Changing the percentage of the conveyance tax revenue paid into the rental housing trust fund from fifty per cent to an unspecified amount; and
- (2) Changing the appropriation amounts from \$1 to unspecified amounts 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. 2059, 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. 2059, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Chun Oakland).

**SCRep. 3315 Ways and Means on H.B. No. 2370**

The purpose and intent of this measure is to amend the current state law regarding the partial payment of taxes.

More specifically, this measure requires that a partial payment of taxes be credited in equal amounts to interest, penalties, and principal.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that, under current state law, moneys received by the Department of Taxation for the partial payment of a tax are applied first to interest, then to penalties, and then finally to principal. Your Committee also finds that allowing taxpayers to repay their tax-debt principal before penalties and interest would make it easier for them to repay their entire debt. Your Committee believes that this measure will reduce taxpayers' tax burden by enabling them to repay their taxes in a timelier manner, while also ensuring that all principal and penalties properly due to the State would still be paid in full by taxpayers along with any applicable interest.

Your Committee has amended this measure by:

- (1) Requiring that a partial payment of taxes be credited first to principal, then to interest, and then to penalties; and
- (2) Inserting a savings clause to clarify that the amendments contained in the measure will apply prospectively.

As affirmed by the record of votes of the members 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. 2370, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2370, 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, 13. Noes, none. Excused, none.

**SCRep. 3316 Ways and Means on H.B. No. 2003**

The purpose and intent of this measure is to appropriate funds to the Department of Defense to establish a Hawaii cybersecurity, economic, education, and infrastructure security coordinator position to coordinate efforts on and recommend improvements to the State's cybersecurity and cyber resiliency.

In addition, this measure requires the cybersecurity, economic, education, and infrastructure security coordinator to define requirements for securing state, federal, and private moneys to fund cybersecurity improvements.

The Department of Defense, Hawaii State Office of Information Management and Technology, and Oceanit provided testimony in support of this measure.

Your Committee finds that coordination and collaboration is needed between government agencies, the University of Hawaii, and the private and public sector to improve cybersecurity and cyber resiliency in the State and to develop effective responses to cyber-

attacks. Innovative advancements in technology have provided new and convenient ways to store sensitive information and data in cyberspace but have also spawned new types of security threats and intrusion. Any compromise or unauthorized use of the valuable and sensitive information stored in cyberspace may significantly disrupt critical operations and render the State and its agencies vulnerable to cyber-attacks. Your Committee believes that this measure will improve cybersecurity and cyber resiliency by ensuring that any cyber threat or attack is met with a timely and coordinated response.

Your Committee has amended this measure by:

- (1) Clarifying that the cybersecurity, economic, education, and infrastructure security coordinator position is established in Chapter 128, Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes 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 H.B. No. 2003, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2003, 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, 13. Noes, none. Excused, none.

#### **SCRep. 3317 Ways and Means on H.B. No. 648**

The purpose and intent of this measure is to make a technical amendment to clarify the requirements of the annual report made by the Director of Finance for transfers of non-general funds to the general fund.

Prior to the hearing on this measure, your Committee made available a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by deleting its entire contents and inserting language to repeal or reduce appropriations made in the Regular Session of 2013 that designated expending agencies do not plan to expend in fiscal year 2013-2014.

Specifically, the proposed S.D. 1 amends the following fiscal year 2013-2014 appropriations by:

- (1) Repealing the \$1,000,000 appropriation to the Department of Human Services for a rental assistance program known as the shallow subsidy program, pursuant to section 4 of Act 222, Session Laws of Hawaii 2013;
- (2) Repealing the \$150,000 appropriation to the Department of Human Services for the homelessness prevention and rapid re-housing program, pursuant to section 9 of Act 222, Session Laws of Hawaii 2013;
- (3) Reducing the \$100,000 appropriation to the Department of Human Services to \$50,000 for the construction and demonstration of innovative temporary housing solutions as they relate to the homeless assistance working group's findings and recommendations, pursuant to section 17 of Act 222, Session Laws of Hawaii 2013;
- (4) Repealing the \$185,750 appropriation to the Department of Budget and Finance to support the work of the Hawaii Employer-Union Health Benefits Trust Fund task force, pursuant to section 5 of Act 268, Session Laws of Hawaii 2013; and
- (5) Repealing the \$500,000 appropriation to the Department of Budget and Finance for a study on joint investment information and service sharing by the Employees' Retirement System and the Hawaii Employer-Union Health Benefit Trust Fund, pursuant to section 13 of Act 268, Session Laws of Hawaii 2013.

Your Committee received no testimony on H.B. No. 648, H.D. 1.

Your Committee received comments on the proposed S.D. 1 from the Department of Budget and Finance.

Your Committee finds that repealing or reducing current fiscal year appropriations that are not expected to be expended by the designated agencies is preferable to allowing the unexpended and unencumbered amounts to lapse. Your Committee recognizes that lapsed appropriations cannot be considered until after the fiscal year for which the appropriation is made expires; however, repealing or reducing appropriations allows the savings to be factored into the next fiscal year's budgetary decisions.

Your Committee further finds that the medicaid investigations recovery fund contains funds that are in excess of what is necessary for the purposes of the fund. Your Committee finds that authorizing the Director of Finance to transfer the excess funds to the general fund will allow those moneys to be considered in budgetary decisions for fiscal year 2014-2015.

Your Committee has amended this measure by adopting the proposed S.D. 1 and amending it further by:

- (1) Until June 30, 2014, authorizing the Director of Finance to transfer \$1,500,000 in excess funds from the medicaid investigations recovery fund, established pursuant to section 28-91.5, Hawaii Revised Statutes, to the general fund;
- (2) Amending the amounts appropriated in section 13 of Act 268, Session Laws of Hawaii 2013, to the Department of Budget and Finance for a study on joint investment information and service sharing by the Employees' Retirement System and the Hawaii Employer-Union Health Benefit Trust Fund from \$500,000 to \$100,000 in fiscal year 2013-2014, and from \$500,000 to \$350,000 in fiscal year 2014-2015; and
- (3) Making technical nonsubstantive amendments for the purposes of style, 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. 648, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 648, 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, none. Excused, 2 (Dela Cruz, Tokuda).

**SCRep. 3318 (Joint/Majority) Economic Development, Government Operations and Housing and Agriculture and Ways and Means on H.B. No. 482**

The purpose and intent of this measure is to prohibit the ability to claim expenditures for legal services under the important agricultural land qualified agricultural cost tax credit.

Your Committees received testimony in support of this measure from five individuals. Your Committees received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which, in addition to appropriating funds to acquire certain Dole Food Company, Inc., lands, establishes the Whitmore project facility revenue bond special fund into which proceeds from revenue bonds shall be deposited for purchasing certain parcels of land from Dole Food Company, Inc.

Your Committees received testimony in support of the proposed S.D. 1 from the Agribusiness Development Corporation, Hawaii Farm Bureau, and Sugarland Growers, Inc. Your Committees received testimony in opposition to the proposed S.D. 1 from the Department of Agriculture and one individual. Your Committees received comments on the proposed S.D. 1 from the Department of Budget and Finance.

Your Committees find that in order for agriculture to flourish in Hawaii and reach its full potential, land availability and long-term leases at affordable and predictable lease rental rates are critical. The acquisition of the certain parcels of land from Dole Food Company will significantly increase the acreage of available agricultural land under the State's control and will provide farmers with long-term leases that will enhance the economic viability of Hawaii's agriculture industry.

Your Committees have amended this measure by replacing its contents with the contents of the proposed S.D. 1 and inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing, Agriculture, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 482, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 482, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Baker, English).

Agriculture  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (English, Kouchi).

Ways and Means  
Ayes, 9. Noes, 1 (Slom). Excused, 3 (English, Kouchi, Ruderman).

**SCRep. 3319 (Joint) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs and Technology and the Arts and Ways and Means on H.B. No. 1280**

The purpose and intent of this measure is to:

- (1) Require the Department of Public Safety to form a working group to define and delineate the duties and responsibilities of process servers under its jurisdiction, create a process of registration, examine licensing requirements and jurisdictional concerns of private process servers, and address other relevant issues; and
- (2) Authorize the Director of Public Safety to maintain a list of independent process servers.

Your Committees received no testimony on this measure.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which requires and appropriates funds for the Board of Directors of the High Technology Development Corporation to create a first responders technology campus and cyber security command center.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Defense, Department of Public Safety, Department of Accounting and General Services, and one individual. Your Committees received comments on the proposed S.D. 1 from the High Technology Development Corporation.

Your Committees find that the State requires a plan to relocate public safety services located within and nearby inundation zones to a centralized non-inundation zone area that will provide direct access to highways and be in convenient proximity to hospital and military services and assistance. In the event of a major disaster, critical systems could be unavailable for months, negatively impacting the lives of many tens of thousands of citizens and costing the State tens of millions of dollars in unplanned system recovery and restart costs.

Your Committees further find that the High Technology Development Corporation, in collaboration with the Department of Accounting and General Services and Chief Information Officer, has the ability to oversee the design, construction, and operation of a data center that can house the State's centralized computing resources along with key staff that support and maintain these resources.

Your Committees have amended this measure by replacing its contents with the contents of the proposed S.D. 1 and inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing, Public Safety, Intergovernmental and Military Affairs, Technology and the Arts, and Ways and Means that are attached to



this report, your Committees are in accord with the intent and purpose of H.B. No. 1280, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1280, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (English).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

Ways and Means  
Ayes, 11; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 3320 Judiciary and Labor on H.B. No. 2163**

The purpose and intent of this measure is to require the court to consider frequent, continuing, and meaningful contact with each parent when awarding custody of a minor child unless the court finds that one or both parents are unable to act in the best interests of the child.

Your Committee received testimony in support of this measure from the Family Law Section of the Hawaii State Bar Association and six individuals. Your Committee received testimony in opposition to this measure from four individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that this measure ensures the best interest of the child by requiring, rather than allowing, the court to consider frequent, continuing, and meaningful contact with each parent when awarding custody of a minor child.

Your Committee has amended this measure by:

- (1) Amending section 580-47, Hawaii Revised Statutes, to:
  - (A) Require the court to consider any necessary reduction in employment due to the needs of a dependent child and wasting of assets when ordering spousal support and maintenance; and
  - (B) Establish that in the division and distribution of property as a result of a divorce, any value given for a joint investment or asset is presumed to be a joint gift, except when assets are inherited;
- (2) Making conforming amendments to section 580-74, Hawaii Revised Statutes, to reflect the amendments made to section 580-47, Hawaii Revised Statutes;
- (3) Inserting a severability clause;
- (4) Changing the effective date from July 1, 2050, to upon approval; and
- (5) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2163, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2163, 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, 7. Noes, none. Excused, none.

**SCRep. 3321 Judiciary and Labor on H.B. No. 2034**

The purpose and intent of this measure is to:

- (1) Amend section 657-1.8, Hawaii Revised Statutes, to eliminate the statute of limitations for a civil action for damages arising from a sexual act that constituted or would have constituted sexual assault in the first degree, sexual assault in the second degree, or continuous sexual assault of a minor under the age of fourteen years; and
- (2) Amend section 701-108, Hawaii Revised Statutes, to remove the statute of limitations for a criminal action arising from sexual assault in the first degree, sexual assault in the second degree, and continuous sexual assault of a minor under the age of fourteen years.

Your Committee received testimony in support of this measure from the Office of the Prosecuting Attorney, County of Kauai; Office of the Prosecuting Attorney, County of Maui; Women's Caucus, Democratic Party of Hawaii; YWCA of Kauai; The Sex Abuse Treatment Center; Hawaii Women's Coalition; and sixteen individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General, Office of the Public Defender, and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that child sexual abuse is an epidemic that unfortunately is not adequately addressed because a vast majority of child sexual abuse victims fail to report their sexual assaults to authorities. The Sex Abuse Treatment Center testified that many children do not disclose sexual abuse immediately. Studies have estimated that between sixty to eighty percent of child sexual abuse victims withhold disclosure. Furthermore, studies examining latency in disclosure report an average delay of three to eighteen years. By eliminating the statute of limitations for civil and criminal actions for claims arising from certain sexual assault crimes, this

measure recognizes and provides the time it generally takes for victims of child sexual abuse to develop the strength and courage to report incidences of child sexual abuse.

Your Committee notes the testimony submitted by a professor from the Benjamin N. Cardozo School of Law indicating that eight states allow a civil action to be filed at any time for a child sexual abuse claim and seven states currently have pending legislation to eliminate the statute of limitations for civil child sexual abuse claims. This testimony also indicates that thirty-eight states allow the prosecution of certain child sexual abuse crimes to commence at any time.

However, your Committee notes the concerns raised by the Department of the Attorney General that eliminating the statute of limitations for the filing of a civil claim arising from certain sexual assault crimes may violate the due process clause of the state and federal constitutions. The Department testified that a claim could be brought against any person at any time, which could prevent or severely impair the alleged perpetrator's ability to defend. Your Committee further notes the testimony submitted in opposition that eliminating the statute of limitations for civil and criminal claims for certain sexual assault crimes fails to recognize that over time memories fade, evidence may be lost or expunged, and witnesses may die or be difficult to find.

Accordingly, your Committee believes that the statute of limitations should be further defined to sufficiently balance the rights of the victim and accused in child sexual abuse civil and criminal claims. Your Committee notes that according to the testimony submitted by a professor from the Benjamin N. Cardozo School of Law, four states have legislation pending that allows a victim of child sexual abuse to file a civil claim up to attaining the age of fifty-five. Your Committee believes that the statute of limitations to file a civil claim in this measure should be set accordingly for all sexual acts that constituted or would have constituted a criminal offense under part V or VI of chapter 707, Hawaii Revised Statutes. Your Committee further notes the discussion during the hearing for this measure regarding studies indicating that the human brain is not fully developed until the age of twenty-five. Accordingly, your Committee believes that the statute of limitations should toll during any time when the victim is under twenty-five years of age for certain sexual assault offenses committed when the victim is a minor.

Your Committee notes that the Legislature passed Act 68, Session Laws of Hawaii 2012 (Act 68), to extend the statute of limitations for civil actions brought by a victim of sexual offenses as a minor against the person who committed the act and establish a two-year window to allow a victim of sexual abuse to bring a cause of action if bringing such an action was barred due to the expiration of the statute of limitations that was in effect prior to April 24, 2012. Your Committee further finds that the two-year window to allow a victim of child sexual abuse to bring a cause of action that is otherwise barred will sunset on April 24, 2014, if legislative action is not taken. Accordingly, your Committee believes that extending the window for an additional five years provides additional time for a victim of child sexual abuse to come forward.

Your Committee further notes S.B. No. 2687 (Regular Session of 2014), as amended, amends section 657-1.8(b), Hawaii Revised Statutes, to change the standard used by the court to award damages against a legal entity, except for the State or counties, from a finding of gross negligence to a finding of negligence on the part of the legal entity. Your Committee believes that this measure should also reflect this standard. Despite the written testimony suggesting that this standard be effective retroactively to 2012, when Act 68 was enacted, your Committee believes that the negligence standard should be applied prospectively to avoid conflicts with pending civil actions.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 657-1.8, Hawaii Revised Statutes, to:
  - (A) Delete language that eliminated the statute of limitations for a civil action for damages arising from a sexual act that constituted or would have constituted sexual assault in the first or second degree or continuous sexual assault of a minor under the age of fourteen years;
  - (B) Extend the statute of limitations for the filing of a civil action for the recovery of damages arising from the sexual abuse of the minor that constituted or would have constituted a criminal offense under part V or VI of chapter 707, Hawaii Revised Statutes, to the later of:
    - (i) The victim attaining the age of fifty-five, rather than twenty-six; or the person who committed the sexual abuse attaining the age of majority; or
    - (ii) Three years after the victim discovers or should have discovered the psychological injury or illness was caused by the sexual abuse;
  - (C) Extend the sunset date for five additional years to allow a victim of child sexual abuse to bring a civil action against the victim's abuser or an entity, except for the State or counties, if the statute of limitations for filing a civil claim has lapsed; and
  - (D) Clarify that after April 23, 2014, damages against the legal entity in a sexual assault civil action in which the statute of limitations for filing a civil claim has lapsed shall be awarded only if there is a finding of negligence on the part of the legal entity;
- (2) Amending section 701-108, Hawaii Revised Statutes, to:
  - (A) Delete language that removes the statute of limitations for a criminal action arising from sexual assault in the first or second degree and continuous sexual assault of a minor under the age of fourteen years; and
  - (B) Insert language to clarify that the statute of limitations for a criminal claim shall toll during any time that the victim is under twenty-five years of age for certain sexual assault crimes committed against the victim at the time the victim was a minor; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2034, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2034, 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 (Ihara, Solomon, Slom).

**SCRep. 3322 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 2248**

The purpose and intent of this measure is to provide an emergency appropriation of \$700,000 in general revenues to the Department of the Attorney General for fiscal year 2013-2014 to fund contracts to retain expert counsel, expert witnesses, and other legal services.

Your Committees received testimony in support of this measure from the Department of the Attorney General.

Your Committees find that the Department of the Attorney General anticipates incurring several major litigation expenses for the retention of expert witnesses and specialized legal counsel. These expenses include expenses for defending against an appeal of the July 11, 2013, decision validating the State's 2012 Reapportionment Plan in the United States Supreme Court; continuing to defend the State against claims for money damages in two large, one-time class action lawsuits; and investigating and assessing the possibility of filing suit to recover funds to repair and restore damage in and around Honolulu Harbor resulting from the September 2013 molasses spill. This measure will supplement the normal annual litigation budget used by the Department of the Attorney General to fund litigation expenses.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2248, 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.

Judiciary and Labor

Ayes, 7. Noes, none. Excused, none.

Ways and Means

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Espero).

**SCRep. 3323 Judiciary and Labor on H.B. No. 2139**

The purpose and intent of this measure is to allow a county council to hold a limited meeting that is open to the public as the guest of a board or community group holding its own meeting under certain conditions. Specifically, this measure amends section 92-3.1, Hawaii Revised Statutes, relating to limited meetings, to:

- (1) Allow any number of county council members to attend and hold a limited public meeting to discuss council business, as the guest of a board or community group holding its own meeting, through June 30, 2018;
- (2) Require notice of the county council limited meeting to meet the requirements of section 92-7, Hawaii Revised Statutes, and indicate the board or community group whose meeting the council is attending, and may include an agenda;
- (3) Require a board or community group that is subject to part I, chapter 92, Hawaii Revised Statutes, and holding a meeting that a county council is attending, to meet the requirements of part I, chapter 92, Hawaii Revised Statutes;
- (4) Restrict such limited meetings of a county council to no more than one per month for any one board or community group;
- (5) Require all limited meetings to be held in the State; and
- (6) Prohibit limited meetings from being held to circumvent part I, chapter 92, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from two individuals. Your Committee received testimony in opposition to this measure from the League of Women Voters of Hawaii and two individuals. Your Committee received comments on this measure from the Office of Information Practices.

Your Committee finds that as elected officials, it is the job of county council members to find out how people in the community feel about policy issues and to become educated on those issues. However, under section 92-2.5(e), Hawaii Revised Statutes, if at least a number that constitutes a quorum of county council members attends any meetings or presentations open to the public, those members in attendance may be in violation of the Sunshine Law. This measure will increase communication between county council members and their constituents, while providing public protection against inadequate notice of discussions by county council members in which or by which people may be interested or affected.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2139, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Slom).

**SCRep. 3324 Judiciary and Labor on H.B. No. 2347**

The purpose and intent of this measure is to:

- (1) Clarify that all Department of Taxation criminal investigators, including those who are subject to civil service laws, have police powers; and
- (2) Provide that the civil service exemption for criminal investigators is discretionary, rather than mandatory.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee finds that section 231-4.3, Hawaii Revised Statutes, grants police powers to only civil service exempt criminal investigators. However, the Department of Taxation's criminal investigation unit supervisor is a civil service employee. This measure clarifies that all of the Department's criminal investigators, including those who are civil service employees, have police powers.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2347, H.D. 2, 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 (Slom).

**SCRep. 3325 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1971**

The purpose and intent of this measure is to:

- (1) Authorize administrative, support, and instructional employees in charter schools to fully participate in the State's systems for certain employee benefits and additional supports and incentives that are offered by the Department of Education to employees in Department public schools;
- (2) Require the Department of Education and State Public Charter School Commission to identify all incentives and bonuses provided to public school employees, including charter school employees, pursuant to statute, any master agreements and supplemental agreements entered into between the Department of Education and the exclusive representatives as defined in chapter 89, Hawaii Revised Statutes, and any supplemental agreements entered into pursuant to section 302D-25, Hawaii Revised Statutes, and indicate the total dollar amount and funding distribution method for each;
- (3) Require the Department of Education and State Public Charter School Commission to report their findings, including recommendations on the most efficient and equitable funding distribution methods associated with the incentives and bonuses identified, to the Legislature prior to the Regular Session of 2015; and
- (4) Appropriate an unspecified sum out of general revenues to the Department of Education for fiscal year 2014-2015 for the purpose of providing additional benefits, support, and incentives to charter school employees.

Your Committees received testimony in support of this measure from the State Public Charter School Commission; Hawaii State Teachers Association; United Public Workers, AFSCME Local 646, AFL-CIO; and two individuals.

Your Committees find that this measure will provide greater parity between benefits available to administrative, support, and instructional employees in charter schools and administrative, support, and instructional employees at Department of Education public schools.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1971, H.D. 2, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 7. Noes, none. Excused, none.

Ways and Means

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Espero).

**SCRep. 3326 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1796**

The purpose and intent of this measure is to prohibit the use of seclusion and reduce the use of restraint in public schools. Specifically, this measure:

- (1) Adds a new section to chapter 302A, Hawaii Revised Statutes, to prohibit the use of seclusion, chemical restraint, or mechanical restraint in public schools;
- (2) Adds a new section to chapter 302A, Hawaii Revised Statutes, to:
  - (A) Prohibit the use of physical restraint unless a student's behavior poses an imminent danger of property damage or physical injury to the student, school personnel, or others and only for so long as the danger persists; provided that other less intrusive interventions have failed or been determined to be inappropriate for the student;
  - (B) Prohibit the use of any physical restraint that is life threatening, including physical restraint that may restrict breathing; or contraindicated based on the student's disability, health care needs, or medical or psychiatric condition, as documented in a health care directive or medical management plan, a behavior intervention plan, an individual education program, or an individualized family service plan, or plan developed pursuant to Section 504 of the Rehabilitation Act of 1973;
  - (C) Require the Board of Education to establish policy regarding the use of restraint in public schools and the Department of Education to establish procedures to be followed after each incident involving the imposition of restraint upon a student;
  - (D) Require that all parents and legal guardians of students to receive no less than on an annual basis written information, which includes certain types of information, that is issued by the Department of Education about policies and procedures for restraint;

- (E) Require that staff and parents or legal guardians be notified of any policy or procedural changes relating to restraint;
  - (F) Require all public schools to ensure that staff who use restraint in facilities or programs are trained and certified on a periodic basis no less than on an annual basis and specify the components that the training is required to include;
  - (G) Require each complex area superintendent to direct, on at least a quarterly basis, a review of data on students at each public school who were restrained, and specify the components that the review is required to include;
  - (H) Require each public school to maintain records of its reviews of restraint data and any resulting decisions or actions regarding the use of restraint;
  - (I) Require the Department of Education to review policies and procedures on the use of restraint, specify the components the reviews is required to include, and specify the purposes for the review; and
  - (J) Define “chemical restraint”, “mechanical restraint”, “physical restraint”, “restraint”, and “seclusion”;
- (3) Amends section 302A-1114, Hawaii Revised Statutes, to clarify that no punishment of any kind may be inflicted upon any pupil except as provided for under the new section established under chapter 302A, Hawaii Revised Statutes, relating to the limited use of physical restraint, and section 703-309(2), Hawaii Revised Statutes; and
- (4) Appropriates an unspecified sum to the Department of Education for fiscal year 2014-2015, to provide resources for training and data accountability regarding the use of physical restraint in public schools.

Your Committees received testimony in support of this measure from the Department of Education, State Council on Developmental Disabilities, Special Education Advisory Council, Community Children’s Council of Hawaii, Hawaii Association of School Psychologists, and six individuals. Your Committees received testimony in opposition to this measure from two individuals. Your Committees received comments on this measure from the Crisis Prevention Institute and Handle With Care.

Your Committees finds that this measure will promote the safety and well-being of students and school personnel by requiring the Board of Education and Department of Education to establish policies and procedures for the limited use of restraint in public schools.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1796, H.D. 2, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 7. Noes, none. Excused, none.

Ways and Means

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Espero).

**SCRep. 3327 Judiciary and Labor on H.B. No. 1503**

The purpose and intent of this measure is to void rental agreement provisions that allow for the eviction of a tenant who has a valid certificate for the medical use of marijuana unless:

- (1) The rental agreement allows for eviction for smoking tobacco and the medical marijuana is consumed by smoking; or
- (2) The articles of incorporation, declaration, bylaws, administrative rules, house rules, association documents, or similar documents of a condominium property regime or planned community association prohibit the medical use of marijuana.

Your Committee received testimony in support of this measure from the Office of Consumer Protection, Department of Commerce and Consumer Affairs; American Civil Liberties Union of Hawaii; Americans for Safe Access, Big Island Chapter; The Drug Policy Action Group; and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that although this measure makes some important clarifications about the use of medical marijuana by a tenant with a valid certificate for the medical use of marijuana, it does not introduce any new rights for Hawaii tenants. Rather, this measure clarifies that if smoking tobacco is banned in a residential setting, then smoking medical marijuana is also banned. However, absent a ban on tobacco smoking, the use of medical marijuana is not banned per se under this measure.

Your Committee notes the concerns that this measure gives tenants with a valid certificate for the medical use of marijuana protection against eviction in any circumstances. However, your Committee finds that these concerns do not accurately reflect the intent of this measure. If a tenant fails to pay rent or otherwise violates a specific lease provision, this measure does not shield that tenant from an eviction process that is unrelated to the medical use of marijuana. Your Committee further finds that the use of medical marijuana by a tenant, as proposed by this measure, is not intended to supersede other provisions in a rental agreement, such as timely payment of rent.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Solomon, Slom).

**SCRep. 3328 Judiciary and Labor on H.B. No. 1641**

The purpose and intent of this measure is to increase the privacy rights of individuals and simplify the standards by which law enforcement is able to access certain information by:

- (1) Requiring a search warrant in order to compel disclosure to a government entity of the contents of electronic communications, regardless of whether the communications were held in storage or not, how long the communications have existed, or if the communications are classified as retrieved or unretrieved; and
- (2) Requiring a court order in order to compel disclosure to a governmental entity of non real-time, or historical, transactional records and requiring the court order to issue only if the governmental entity demonstrates probable cause that the records sought constitute a crime or are relevant to a legitimate law enforcement inquiry.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that users of electronic communication services and remote storage providers have various privacy rights. Existing state law requires law enforcement to obtain a court order before having access to retrieved electronic mail and electronic mail that has been held in storage for more than one hundred eighty days. Furthermore, probable cause must be shown for the issuance of a court order to access transactional records. This measure provides even greater privacy protection for individuals by requiring a search warrant for disclosure of electronic communications and streamlines the criteria that law enforcement must satisfy to access certain information, without unduly interfering with law enforcement's need to investigate criminal activity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641, 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 (Ihara, Solomon, Slom).

**SCRep. 3329 Judiciary and Labor on H.B. No. 1812**

The purpose and intent of this measure is to:

- (1) Require the chief of each county police department to submit an annual report to the Legislature by January 31 covering misconduct incidents that resulted in suspension or discharge of a police officer from the calendar year immediately prior to the year of the report submission;
- (2) Specify the information that each report must contain, including updated information from previous reports;
- (3) Require the chief of each county police department to provide updated information in each successive annual report until the highest non-judicial grievance adjustment procedure invoked by the police officer has concluded and specify the information that each successive annual report must contain; and
- (4) Require the county police departments to retain the disciplinary records in accordance with their respective record retention policies or for at least eighteen months after the final report concerning that incident, whichever period is longer.

Your Committee received testimony in support of this measure from the Office of Information Practices and The Civil Beat Law Center for the Public Interest. Your Committee received testimony in opposition to this measure from the Police Department, City and County of Honolulu; Police Department, County of Maui; State of Hawaii Organization of Police Officers; and one individual.

Your Committee finds that for over a decade, the only public information available concerning final suspensions of police officers has been the annual report to the Legislature, required by section 52D-3.5, Hawaii Revised Statutes; however, these reports provide minimal detail. This measure improves the applicability of section 52D-3.5, Hawaii Revised Statutes, and creates a more informed public dialogue about the misconduct by police officers.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1812, 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 (Ihara, Solomon, Slom).

**SCRep. 3330 Judiciary and Labor on H.B. No. 2242**

The purpose and intent of this measure is to address issues that have arisen due to the use of new technology by making the following criminal offenses applicable to electronic or digital statements, documents, or records:

- (1) Falsifying business records;
- (2) Obtaining a government-issued identification document under false pretenses in the first degree;
- (3) Obtaining a government-issued identification document under false pretenses in the second degree;
- (4) Tampering with a government record; and
- (5) Unsworn falsification to authorities.

Your Committee received testimony in support of this measure from the Department of the Attorney General and one individual.

Your Committee finds that with current technology, many transactions are handled electronically and records are often kept in electronic or digital form. In 2000, Hawaii adopted the Uniform Electronic Transactions Act, chapter 489E, Hawaii Revised Statutes, to recognize the need to establish the legal validity of electronic records, signatures, and contracts. However, criminal offenses have not been updated to take into account the prevalent use of new technology and the consequent use of new technology to commit a variety of crimes. This measure protects consumers by making relevant criminal offenses also applicable to electronic or digital statements, documents, or records.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2242, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Solomon, Slom).

**SCRep. 3331 Judiciary and Labor on H.B. No. 2513**

The purpose and intent of this measure is to require an attorney affirmation in a judicial foreclosure to be filed with the court at the time the mortgage foreclosure action is commenced.

Your Committee received testimony in support of this measure from the Hawaii Financial Services Association and Hawaii Bankers Association. Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee finds that pursuant to Act 182, Session Laws of Hawaii 2012, attorneys who file judicial foreclosure complaints must submit an affirmation verifying the accuracy of the documents submitted. Your Committee further finds that this measure specifies that these attorney affirmations must be filed at the commencement of a mortgage foreclosure action. This measure conforms to existing practice and encourages compliance for attorneys who file judicial foreclosure complaints.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2513, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Solomon, Slom).

**SCRep. 3332 Judiciary and Labor on H.B. No. 2298**

The purpose and intent of this measure is to provide a child-friendly process of hearing notification to children in child protection cases to avoid children being served the summons by a law enforcement officer and to provide the child with adequate notice of a hearing.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Human Services, and one individual.

Your Committee finds that existing state law requires that children in child protection cases be served with the petition and summons by a law enforcement officer. Your Committee further finds that it is less intimidating and more therapeutic for children to receive notice of the petition, the date and time of the initial hearing, and the child's right to participate in the hearing through notification by the petitioner, which is the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2298, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 3333 Judiciary and Labor on H.B. No. 2275**

The purpose and intent of this measure is to amend Hawaii's Mortgage Rescue Fraud Prevention Act by:

- (1) Clarifying the definition of "distressed property consultant"; and
- (2) Specifying that only attorneys licensed to practice law in the State of Hawaii are exempt from the definition of "distressed property consultant".

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that mortgage rescue schemes continue to plague distressed property owners in Hawaii. The amendments in this measure pertaining to the definition of "distressed property consultant" will assist the Office of Consumer Protection's enforcement of the Mortgage Rescue Fraud Prevention Act, codified as chapter 480E, Hawaii Revised Statutes, against all persons involved in a mortgage rescue scheme.

Your Committee further finds that persons who have provided services to distressed property owners have attempted to evade compliance with chapter 480E, Hawaii Revised Statutes, by claiming they are not distressed property consultants or that they fall under the chapter's attorney exemption because they are, or performed services in connection with, out-of-state attorneys. This measure makes it clear that only attorneys licensed to practice law in the State of Hawaii fall under the attorney exemption, ensures compliance with federal regulations, and ensures that all attorneys performing distressed property consulting in the State are subject to the Hawaii Rules of Professional Conduct and the jurisdiction of Hawaii's Office of Disciplinary Counsel.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2275, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Solomon, Slom).

**SCRep. 3334 Judiciary and Labor on H.B. No. 2666**

The purpose and intent of this measure is to:

- (1) Amend the law relating to the unlawful use of identification cards or driver's licenses by:
  - (A) Authorizing the scanning of any identification card or driver's license, rather than only a Hawaii identification card or driver's license, for certain purposes; and
  - (B) Clarifying the reasonable doubt standard for proof of age; and
- (2) Make permanent the amendments allowing a business to scan an individual's identification card or driver's license to verify age when providing age-restricted goods or services.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs; Hawaii Food Industry Association; and Seven-Eleven Hawaii, Inc. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawaii. Your Committee received comments on this measure from the Department of Customer Service of the City and County of Honolulu.

Your Committee finds that identity theft is a serious crime with lasting negative repercussions for victims. Information from a stolen state identification card or driver's license is valuable for identity thieves. Minimizing the exposure of an individual's protected information is critical, and imposing reasonable restrictions on the scanning of driver's licenses and state identification cards promotes the privacy interests of individuals and limits exposure of personal information. On the other hand, businesses selling age-restricted products and services greatly benefit from the ability to scan the identifications of all customers for the purpose of verifying age. This measure balances the need to obtain personal information with the need to protect consumers.

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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2666, 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. 2666, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Solomon, Slom).

**SCRep. 3335 (Majority) Judiciary and Labor on H.B. No. 1509**

The purpose and intent of this measure is to amend section 291C-137, Hawaii Revised Statutes, relating to mobile electronic devices to:

- (1) Clarify no person shall operate a motor vehicle while using a mobile electronic device while held in the person's hand for the purpose of making or receiving a non-emergency call, texting, or receiving a text message, or to activate, deactivate, or initiate a function of the mobile device;
- (2) Exempt from the offense drivers who are at a complete stop, whether or not the engine is running, in a safe location by the side of the road out of the way of traffic;
- (3) Clarify the definitions of "operate" and "use" or "using";
- (4) Specify that the penalty for a violation shall be a fine of \$200, or \$400 if in a school zone or construction area;
- (5) Specify that if a person is under the age of eighteen years old at the time of a second offense, the fine shall be \$300, and \$400 for the third and subsequent offenses committed while under the age of eighteen years old;
- (6) Require that collected fines be deposited in the state highway fund; and
- (7) Specify that operating a motor vehicle in the State while using a mobile device is deemed a traffic infraction.

Your Committee received testimony in support of this measure from eleven individuals. Your Committee received testimony in opposition to this measure from the Department of Transportation; Hawaii Bicycling League; Kauai Path, Inc.; and four individuals. Your Committee received comments on this measure from the Judiciary.

Your Committee finds that after the passage of Act 74, Session Laws of Hawaii 2013, which enacted the mobile electronic devices law (codified as section 291C-137, Hawaii Revised Statutes), the Legislature received numerous complaints from the public about the vagueness and ambiguity of the law and the burden of violators having to make a court appearance. Your Committee notes that it was never the intent of the Legislature that violators be forced to appear in court rather than mail in the fine without a court appearance, as allowed under chapter 291D, Hawaii Revised Statutes, relating to adjudication of traffic violations. This measure specifies a violation of the mobile electronic devices law is an infraction and establishes a system of increased fines for repeat violations by drivers younger than eighteen years of age.

Your Committee has amended this measure by clarifying that the engine must be turned off in order for a driver to be exempt from the mobile electronic devices law when the vehicle is at a complete stop and in a safe location by the side of the road out of the way of traffic.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1509, 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. 1509, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Shimabukuro). Noes, 1 (Gabbard). Excused, 1 (Slom).



**SCRep. 3336 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 2246**

The purpose and intent of this measure is to promote state compliance with federal firearm regulations by:

- (1) Providing for a court-based program for persons federally prohibited from owning a firearm based on a finding of mental illness or civil commitment whereby the persons may petition for relief from the federal firearm prohibitor; and
- (2) Requiring courts to provide information relating to involuntary civil commitments to the Hawaii Criminal Justice Data Center for use by law enforcement officials for firearms permitting or registration and for submission to the Federal Bureau of Investigation National Instant Criminal Background Check System (NICS) database for gun control purposes.

Your Committees received testimony in support of this measure from the Department of the Attorney General, Hawaii Rifle Association, Hawaii members of the National Rifle Association, and twenty-two individuals. Your Committees received comments on this measure from two individuals.

Your Committees find that NICS is a federal database that uses information provided by states to identify individuals who are federally prohibited from possessing a firearm. Your Committees further find that Hawaii currently does not provide information on adjudicated civil commitments to NICS because state law prohibits the disclosure of this information. This measure will promote public safety and individual rights by permitting the courts to share information with law enforcement agencies responsible for approving requests for firearm permits and registrations and also by contributing information to the national database in order to promote gun control and public safety throughout the nation.

Your Committees have amended this measure by:

- (1) Adopting the language suggested by the Hawaii Rifle Association to change the standard of proof from clear and convincing to preponderance of the evidence for a petitioner to prove that the petitioner will not be likely to act in a manner dangerous to public safety and the granting of relief will not be contrary to public interest in order for the court to grant a petition for relief; and
- (2) 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 Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2246, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2246, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 7. Noes, none. Excused, none.

Ways and Means

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Espero).

**SCRep. 3337 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 611**

The purpose and intent of this measure is to:

- (1) Make it unlawful for a tanning facility owner, lessee, or operator to allow individuals under the age of eighteen to use tanning equipment that tans the skin with electromagnetic radiation; and
- (2) Make exemptions for physicians duly licensed to practice medicine who use, in the practice of medicine, medical diagnostic and therapeutic equipment that emits ultraviolet radiation, and individuals who own tanning equipment exclusively for personal, noncommercial use.

Your Committees received testimony in support of this measure from the American Cancer Society Cancer Action Network, AIM at Melanoma, Dermatology Nurses' Association, and five individuals.

Your Committees find that skin cancer is the most prevalent type of cancer in the United States, and melanoma is one of the most common forms of cancer for young adults. Your Committees further find that the risk of developing melanoma increases by seventy-five percent in individuals who have been exposed to ultraviolet radiation from indoor tanning devices. This measure will protect adolescents from the early onset of serious medical conditions related to skin cancer.

Your Committees have amended this measure by:

- (1) Requiring, rather than allowing, the Director of Health to impose fines on a tanning facility owner, lessee, or operator to allow any person under the age of eighteen to use any tanning equipment; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 611, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 611, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Ihara, Solomon).

Ways and Means

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Espero).

**SCRep. 3338 Judiciary and Labor on H.B. No. 1024**

The purpose and intent of this measure is to make permanent the liability protections for lifeguards, the employing counties, and the State providing lifeguard services on the beach or in the ocean, except for the gross negligence or wanton acts or omissions of the lifeguard.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of Land and Natural Resources; Office of the Mayor, County of Kauai; Office of the Mayor, County of Maui; Hawaii State Fire Council; Honolulu Fire Department; Kauai Fire Department; Maui Fire Department; Kauai Chamber of Commerce; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Lifeguard Association; and three individuals.

Your Committee finds that county lifeguards are essential to ocean and beach safety in providing protections to residents and visitors in their enjoyment of state and county beaches. Limited liability protection is necessary because some counties are unable to provide lifeguard services due to the fear of potential liability that might arise. As a result of the limited liability protection, many lives have been saved by county lifeguards. Under existing law, the limited liability protections for lifeguards, the counties, and the State against civil damages arising out of acts or omissions of lifeguards while performing lifeguard services will repeal on June 30, 2014. As a result, counties may have to discontinue lifeguarding services due to the increased liability risk and financial burden. This life-saving measure promotes and increases public safety by permanently extending liability protections to lifeguards, the counties, and the State.

Your Committee has amended this measure by:

- (1) Extending the sunset date for three more years from June 30, 2014, to June 30, 2017; and
- (2) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1024, 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. 1024, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 3339 Judiciary and Labor on H.B. No. 2401**

The purpose and intent of this measure is to:

- (1) Add a new section to chapter 514B, Hawaii Revised Statutes, to:
  - (A) Consolidate the documents, records, and information that must be made available to any unit owner; and
  - (B) Specify that these documents, records, and information shall be provided to the unit owner no later than thirty days after receipt of a unit owner's written request; and
- (2) Make conforming amendments to include the new section in chapter 514B, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Real Estate Commission, and nineteen individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that this measure serves a significant consumer protection function by clearly identifying all records available to unit owners and their timely disclosure and allowing unit owners access to information and the opportunity to participate in the self-governance process.

Your Committee has amended this measure by:

- (1) Applying the new section under chapter 514B, Hawaii Revised Statutes, relating to any documents, records, and information that are required to be made available to any unit owner to also be made available to any unit owner's authorized agent;
- (2) Deleting the provision that requires the association's most current financial statement be provided to any interested unit owner at no cost or on twenty-four-hour loan, at a convenient location designated by the board to avoid duplication and potential conflict with another similar provision under that same section;
- (3) Inserting language that clarifies that nothing in the new section under chapter 514B, Hawaii Revised Statutes, shall be construed to create any new requirements for the release of documents, records, or information; and
- (4) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2401, 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. 2401, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 3340 (Majority) Ways and Means on H.B. No. 2101**

The purpose and intent of this measure is to provide for the continued management of the Kaho'olawe island reserve.

More specifically, this measure:

- (1) Allocates a portion of the state conveyance tax revenues to the Kaho'olawe rehabilitation trust fund, which is to be used for the long-term rehabilitation and maintenance of the Kaho'olawe island reserve;
- (2) Requires that the Executive Director of the Kaho'olawe Island Reserve Commission be hired by and serve at the pleasure of the Chairperson of the Board of Land and Natural Resources after the Department of Land and Natural Resources holds a public hearing on the proposed hiring; and
- (3) Requires that the Kaho'olawe Island Reserve Commission report annually to the Legislature on deposits made into and expenditures made from the Kaho'olawe rehabilitation trust fund.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, Kaho'olawe Island Reserve Commission, Protect Kaho'olawe 'Ohana, and thirteen individuals. Written comments in opposition were received from the Hawai'i Association of Realtors. The Department of Budget and Finance, Department of Land and Natural Resources, County of Maui Department of Planning, and Land Use Research Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the Kaho'olawe Island Reserve Commission is funded predominantly by a trust fund that was established in 1994 during the federal unexploded ordnance cleanup of Kaho'olawe. Although the federal government made considerable appropriations to the trust fund, those appropriations are currently dwindling and have not established a sustainable endowment for the long-term restoration of Kaho'olawe. Your Committee also finds that, in its audit of the Kaho'olawe rehabilitation trust fund, the Auditor reported that the trust fund would be depleted by 2016. Your Committee believes that this measure provides a funding mechanism to replenish the trust fund and provide for the long-term rehabilitation and maintenance of the Kaho'olawe island reserve.

Your Committee has amended this measure by:

- (1) Changing the amount and cap amount of the allocation of conveyance tax revenues to unspecified amounts;
- (2) Requiring that the Executive Director of the Kaho'olawe Island Reserve Commission be hired by and serve at the pleasure of the Board of Land and Natural Resources, rather than the Chairperson of the Board of Land and Natural Resources;
- (3) Clarifying that the Reserve Commission's annual report shall be submitted not later than twenty days prior to the convening of each Regular Session of the Legislature;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) 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 H.B. No. 2101, 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. 2101, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

#### **SCRep. 3341 Ways and Means on H.B. No. 2464**

The purpose and intent of this measure is to clarify how the important agricultural land qualified agricultural cost tax credit is to be calculated.

More specifically, this measure clarifies the maximum credit amount that may be claimed under the important agricultural land qualified agricultural cost tax credit.

Your Committee received written comments in support of this measure from Alexander & Baldwin, Inc., Castle & Cooke Hawai'i, The Chamber of Commerce of Hawaii, Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, and the Maui County Farm Bureau. The Department of Agriculture, Department of Taxation, and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the important agricultural land qualified agricultural cost tax credit was established by Act 233, Session Laws of Hawaii 2008, as part of a package of incentives designed to sustain and establish viable agricultural businesses on designated important agricultural lands. Your Committee also finds that the Legislature intended for the cap amount of the tax credit to be \$625,000 in the first year, \$250,000 in the second year, and \$125,000 in the third year the tax credit is claimed. However, as currently written, the cap amount of the tax credit appears to be twenty-five per cent of \$625,000 in the first year, fifteen per cent of \$250,000 in the second year, and ten per cent of \$125,000 in the third year. Your Committee believes that this measure clarifies the tax credit to reflect the Legislature's original intent.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2464, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2464, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3342 Ways and Means on H.B. No. 2518**

The purpose and intent of this measure is to review and update the Hawaii State Planning Act and continue efforts to develop goals and policies to guide the development of the State.

Specifically, this measure requires and provides funding for the Office of Planning, among other things, to review the Hawaii State Planning Act and report to the Legislature its recommendations for updating the Act to appropriately address the needs of the State.

Your Committee received written comments in support of this measure from the Office of Planning, the State Fire Council, the County of Maui Department of Fire and Public Safety, a former Hawaii governor, and Enterprise Honolulu.

Your Committee finds that the Hawaii State Planning Act was enacted in 1978 to improve the planning process and guide future development of the State. The Hawaii State Planning Act sets forth the Hawaii State Plan, which articulates goals and policies to guide the development of the State and establishes an integrated planning and implementation system regarding those goals and policies.

Your Committee notes that the last review of the Hawaii State Planning Act was initiated in 1983 and completed in 1985 and resulted in several amendments to the Hawaii State Planning Act. Since then, there have been significant changes in Hawaii's economic, physical, and social conditions; technology; and the global marketplace. The State also faces new constraints and opportunities as it plans for the future. Thus, your Committee finds that a comprehensive review of the Hawaii State Planning Act is now warranted.

As affirmed by the record of votes of the members 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. 2518, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 3343 Ways and Means on H.B. No. 2478**

The purpose and intent of this measure is to encourage the hiring of individuals with disabilities.

More specifically, this measure:

- (1) Establishes a nonrefundable income tax credit equal to fifty per cent of the qualified wages paid to an individual with a disability during the individual's first six months of employment; and
- (2) Repeals the credit for employment of vocational rehabilitation referrals.

Your Committee received written comments in support of this measure from the State Council on Developmental Disabilities. The Department of Human Services, Department of Taxation, and Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that employing individuals with intellectual and developmental disabilities provides them with a means toward achieving economic self-sufficiency, contributing to their communities, and establishing relationships and social networking. Your Committee believes that this measure will increase employment opportunities for individuals with disabilities and help to meet employers' workforce demands.

Your Committee has amended this measure by:

- (1) Changing the amount of the tax credit to an unspecified amount;
- (2) Clarifying that the tax credit applies to each individual with a disability hired by the taxpayer;
- (3) Clarifying that the cap amount applies to tax credits claimed for all individuals with a disability hired by the taxpayer;
- (4) Disqualifying all wages paid to an individual who is determined to not be an individual with a disability;
- (5) Clarifying that wages that qualify a taxpayer to claim a tax credit under this measure may not be used to claim a deduction;
- (6) Providing that a temporary impairment shall not be considered a disability; and
- (7) Changing the effective date to July 1, 2050, 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. 2478, 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. 2478, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3344 Ways and Means on H.B. No. 748**

The purpose and intent of this measure is to propose an amendment to the state constitution to expand the existing authorization to issue special purpose revenue bonds to assist agricultural enterprises serving important agricultural lands to include agricultural enterprises on all types of lands.

Your Committee received written comments in support of this measure from Hawaii Green Growth, The Chamber of Commerce of Hawaii, Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, and Hawaii Farmers Union United. Written comments on this measure were received from the Department of Budget and Finance, the Department of Agriculture, and Alexander and Baldwin, Inc.

Your Committee finds that this measure seeks to aid Hawaii's agricultural community by supporting efforts to achieve food security and sustainability throughout the State. The special purpose revenue bonds authorized by this measure will alleviate the burden on producers and processors by offsetting the costs of transportation and replacement of aged and obsolete infrastructure, as well as address regulatory compliance issues. This measure will provide a lower cost financing mechanism to Hawaii's farmers and ranchers to carry out many critical agricultural projects that will help improve Hawaii's economy while enhancing the State's ability to be agriculturally self-sustaining.

Your Committee has amended this measure by clarifying the constitutional amendment ballot question and preamble to more accurately reflect the constitutional 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 H.B. No. 748, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 748, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3345 Ways and Means on H.B. No. 2060**

The purpose and intent of this measure is to facilitate greater energy security for the State by encouraging the production of renewable fuels.

More specifically, this measure:

- (1) Establishes a nonrefundable renewable fuels production tax credit; and
- (2) Repeals the ethanol facility tax credit.

Your Committee received written comments in support of this measure from the Blue Planet Foundation, Extended Horizons, Hawaii Island Economic Development Board, Hawaii Leeward Planning Conference, Hawaii Renewable Energy Alliance, Kona Brewing Company, Pacific Biodiesel Technologies, Renewable Energy Action Coalition of Hawaii, Ulupono Initiative, and twenty-one individuals. The Department of the Attorney General, Department of Business, Economic Development, and Tourism, Department of Taxation, and Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that Hawaii is extremely vulnerable to soaring prices or disruptions of its energy imports, which can hinder, cripple, or even devastate the State's economy and the well-being of its inhabitants. Your Committee also finds that, as the most isolated land mass on Earth, Hawaii imports nearly ninety per cent of its energy needs. Your Committee believes that this measure will facilitate greater energy security for the State by ensuring that its energy supply becomes more self-sufficient.

Your Committee has amended this measure by:

- (1) Changing the cap amount and aggregate cap amounts of the tax credit to unspecified amounts;
- (2) Requiring taxpayers who claim the tax credit to complete an annual survey;
- (3) Appropriating funds to the Department of Business, Economic Development, and Tourism to administer the annual survey; and
- (4) 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 H.B. No. 2060, 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. 2060, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3346 Ways and Means on H.B. No. 2109**

The purpose and intent of this measure is to establish and appropriate funds for a five-year evidence-based physical-activity and nutritional-education pilot program within the A+ program of the Department of Education.

Your Committee received written comments in support of this measure from Hui for Excellence in Education, Kaho'omiki and Afterschool Alliance, three Kaho'omiki individuals, the Nutrition and Physical Activity Coalition, and four individuals. Written comments on the measure were received from the Department of Human Services.

Your Committee finds that this measure presents an excellent opportunity to positively affect the lives of some twenty thousand elementary school children in this State each and every year that the pilot program is in operation.

As affirmed by the record of votes of the members 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. 2109, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3347 Ways and Means on H.B. No. 2292**

The purpose and intent of this measure is to make an emergency appropriation to the Department of Human Services to address the budget shortfall in their program ID Human Services 902, general support for health care payments, resulting from a delay in reimbursement from the Hawaii Health Connector (Connector).

Your Committee received written comments in support of this measure from the Department of Human Services.

Your Committee finds that the Department of Human Services facilitated the Connector's efforts to comply with the federal Patient Protection and Affordable Care Act by providing funding and services to the Connector to develop components of the health insurance exchange. In addition, 5.25 per cent of the Department's design, development, implementation, and operations costs of the new medicaid KOLEA on-line eligibility system are allocated to the Connector. The Department of Human Services provided these funds and services with the understanding that the Connector would reimburse the Department using federal funds that it received.

Your Committee further finds that the Connector has not yet reimbursed the Department the full amount required, thus creating a funding shortfall in the Department's medicaid program. The emergency appropriation in this measure will ensure that the Department of Human Services is able to fund its core operations and continue to serve its beneficiaries while the reimbursement from the Connector is pending.

Your Committee has amended this measure by:

- (1) Changing the appropriation from \$4,854,037 to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, 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. 2292, 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. 2292, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 3348 Ways and Means on H.B. No. 1752**

The purpose and intent of this measure is to provide health care to Hawaii residents that are uninsured, underinsured, potential medicaid enrollees, or medicaid enrollees.

Specifically, this measure appropriates funds:

- (1) For community health centers to provide direct health care to uninsured and underinsured patients;
- (2) To restore basic adult dental benefits to medicaid enrollees;
- (3) To provide outreach and eligibility services to children, families, and individuals at federally qualified health centers; and
- (4) To establish health homes for medicaid enrollees as provided in the federal Patient Protection and Affordable Care Act.

Your Committee received written comments in support of this measure from the Office of the Governor, the State Council on Developmental Disabilities, Ho'ola Lahui Hawaii, Lanai Community Health Center, Waianae Coast Comprehensive Health Center, Waimanalo Health Center, Hawaii Primary Care Association, Community Alliance for Mental Health, Hawaii Self-Advocacy Advisory Council, Kokua Kalihi Valley, Waikiki Health, and one individual. The Department of Human Services submitted written comments on the measure.

Your Committee believes that this measure provides a comprehensive package of funding for medical, dental, and behavioral health care in a cost-effective manner that maximizes federal matching funds. Your Committee finds that funding community health centers, behavioral services, dental providers, and health homes will provide underserved and uninsured individuals with primary and preventative health care that will reduce long-term health care costs for the State and improve the well-being of those who cannot afford health care.

Your Committee has amended this measure by clarifying in the four appropriations requiring the Department of Human Services to obtain the maximum federal matching funds, that the Department of Human Services shall obtain the maximum amount of federal matching funds for fiscal year 2014-2015 that are available for expenditure as provided in the Supplemental Appropriations Act of 2014.

As affirmed by the record of votes of the members 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. 1752, 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. 1752, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 3349 Ways and Means on H.B. No. 1777**

The purpose and intent of this measure is to protect the health and safety of public school students and others suffering from anaphylaxis, a life-threatening allergic reaction to certain allergens.

Specifically, the measure:

- (1) Authorizes Department of Education employees and agents with specified training to volunteer to administer auto-injectable epinephrine to a student with anaphylaxis with prior written authorization from the student's parent or guardian;
- (2) Authorizes the Department of Education to make arrangements to receive injectable epinephrine supplies from manufacturers or suppliers;

- (3) Establishes a five-year auto-injectable epinephrine pilot program within the Department of Education, in collaboration with the Department of Health, to provide auto-injectable epinephrine to any student or other individual on school premises, at school-sponsored events, or at any other time the student or individual is subject to the school's jurisdiction or supervision, when the designated school personnel believe in good faith that the student or individual is experiencing anaphylaxis;
- (4) Authorizes the Department of Education to maintain a stock of auto-injectable epinephrine supplies as part of the pilot program;
- (5) Provides that an authorized health care provider may prescribe auto-injectable epinephrine to a school participating in the pilot program;
- (6) Requires training for any Department of Education employee or agent who volunteers to administer auto-injectable epinephrine under the pilot program;
- (7) Provides immunity from civil or criminal liability to any person acting in accordance with the requirements of the pilot program, with certain exceptions for gross negligence, wilful and wanton misconduct, and intentional misconduct;
- (8) Requires the Department of Education, in collaboration with the Department of Health, to submit an annual report to the Legislature for the duration of the pilot program; and
- (9) Appropriates an unspecified amount for the Department of Education to contract for instruction, training, and related expenses required for compliance with the measure.

Your Committee received written comments in support of this measure from Mylan Inc. and Walgreens Co. The Department of Education and the Department of Health submitted written comments on the measure.

Your Committee finds that protecting the health and safety of students and others on school premises or under school jurisdiction is vital and that anaphylaxis is a serious health concern. Your Committee believes that authorizing Department of Education employees and agents, upon written authorization from a student's parent and certification from a medical professional, to administer auto-injectable epinephrine may potentially save lives.

Your Committee has amended this measure by:

- (1) Deleting section 2, establishing the five-year auto-injectable epinephrine pilot program; and
- (2) Deleting section 3, requiring annual reports to the Legislature regarding the pilot 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. 1777, 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. 1777, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kouchi, Ruderman).

#### **SCRep. 3350 Commerce and Consumer Protection on H.B. No. 1814**

The purpose and intent of this measure is to:

- (1) Clarify that employers may pay wages by direct deposit under certain conditions;
- (2) Allow employers to pay wages by pay cards under certain circumstances; and
- (3) Make employers responsible for any fees incurred if an employer has insufficient funds in the employer's bank account for an electronic transfer.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association. Your Committee received testimony in opposition to this measure from the Department of Labor and Industrial Relations, Hawaii Financial Services Association, Chamber of Commerce Hawaii, and Hawaii Regional Council of Carpenters. Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Division of Financial Institutions of the Department of Commerce and Consumer Affairs, Progressive Democrats of Hawai'i, American Payroll Association, and Visa, Inc.

Your Committee finds that the intent of chapter 388, Hawaii Revised Statutes (chapter 388), is to protect the payment of workers' wages and other compensation, encourage employers to pay wages promptly, and reduce workers' economic losses. Chapter 388 only addresses payment methods of cash or check convertible to cash but does not specify payment methods through direct deposits or pay cards.

Your Committee further finds that the Department of Labor and Industrial Relations has long recognized the voluntary use of direct deposits as a method that satisfies the payment of wages. According to testimony from the Hawaii Bankers Association, approximately eighty-five percent of all employees in Hawaii are paid by direct deposit. This measure modernizes chapter 388 to reflect direct deposit as a current practice in the payment of wages under certain conditions.

Your Committee additionally finds from testimony of the Hawaii Bankers Association that approximately fourteen thousand employees in Hawaii receive their wages through a pay card. Pay cards serve two groups of employees, the unbanked (employees without a bank account) and under-banked (employees with a bank account that is not used by the employee). A pay card allows unbanked or under-banked employees to receive wages without having to cash their paper paychecks at a check cash establishment and pay a service charge.

Your Committee also finds that numerous consumer protection concerns have been raised throughout the nation over the use of pay cards. These concerns deal primarily with the lack of regulation on the number and type of fees imposed when the pay cards are used

and a lack of transparency associated with inadequate or nonexistent disclosure of fees and conditions to unsuspecting employees who are paid via pay card. This measure provides employers with the option to pay their employees by pay cards. However, amendments to this measure are necessary to ensure additional protections for employees who voluntarily authorize the payment of their wages via a pay card.

Accordingly, your Committee has amended this measure by:

- (1) Moving provisions that established requirements for paying wages to an employee by use of a pay card from section 388-2, Hawaii Revised Statutes, into a new section in chapter 388, Hawaii Revised Statutes, relating to payment of wages by pay card, and further clarifying that an employer shall not pay wages due to an employer's employee by use of a pay card unless certain requirements are satisfied, including:
  - (A) Specifying that an employee must be given the option of receiving the employee's wages by direct deposit or paper check and the option of receiving payment by pay card before the employee selects either direct deposit or paper check;
  - (B) Clarifying that the employee's voluntary authorization of the payment of wages using a pay card shall be in writing or via electronic signature;
  - (C) Requiring the employer to provide the employee, in plain language in at least ten-point font, with a description of the employee's options for receiving wages; a disclosure of fees from the pay card; written notice that states whether third parties may assess additional fees relating to the use of the pay card; and a list of services available to the employee;
  - (D) Requiring the employer to select an issuer that offers employees a process for disputing pay card account fees that have been assessed in a manner inconsistent with the pay card fee schedule;
  - (E) Requiring the employer to honor a written request by the employee to change the method of receiving wages from a pay card to another method within two pay periods of the written request;
  - (F) Clarifying that the pay card on which the employee may receive wages will not charge for the application, initiation, transfer, loading, privilege of participation, or distribution or delivery of the initial pay card;
  - (G) Clarifying that the employee has the ability to make at least three free withdrawals from the pay card, one of which permits withdrawal of the full amount of the balance on the card at a federally insured depository institution or at that institution's affiliated automated teller machines;
  - (H) Clarifying that the employee must have the means to access balance or other account information online or via other automated system at all times and without charging a fee and the ability to close a pay card account and obtain payment of the balance remaining on the card;
  - (I) Specifying that the pay card shall not impose fees based on an employee's account balance;
  - (J) Clarifying that the one free replacement card per year must be provided to the employee at no cost at least fifteen days before the pay card's expiration date;
  - (K) Specifying that pooled pay card accounts shall be permitted; provided that each subaccount shall be for the sole and exclusive benefit of the named employee, and not subject to the claims of the employer's creditors; provided further that each employee's pay card account shall be eligible for deposit insurance on a pass through basis;
  - (L) Clarifying that a pay card account may be closed after six continuous months of inactivity and with reasonable notice to the employee;
  - (M) Requiring an employer to deposit all wages owed to an employee into the employee's pay card account on or before the employee's designated payday and specifying that the employee shall be deemed to have been paid wages owed at the time the wages are deposited and the employee has access to those wages;
  - (N) Specifying that the employer shall not be held liable for a delay of an employee's access to wages due to an error by the issuer, as long as the employer deposited the proper amount of wages into the employee's account on or before the designated payday and the employer is otherwise in compliance with the pay card requirements of the new section in chapter 388, Hawaii Revised Statutes;
  - (O) Specifying that an employer shall be liable for any wages due and not timely paid onto a pay card or other elected method of payment;
  - (P) Requiring the employer to provide twenty-one days prior notice, rather than thirty days, to any change to the pay card program, and requiring this notice to be provided in plain language in at least ten-point font; and
  - (Q) Specifying that the employer's obligation shall cease sixty days after the employer-employee relationship ends and the employee has been paid the employee's final wages;
- (2) Adding definitions for "issuer", and "pay card fee schedule";
- (3) Clarifying the definitions of "pay card" and "pay card account";
- (4) Inserting a purpose section;
- (5) Retaining the defective date of this measure but providing that the provisions of this measure applicable to pay cards shall take effect with the payroll period beginning September 1, 2014, and the provisions of this measure applicable to direct deposit and electronic transfer shall take effect upon approval; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1814, 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. 1814, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 3351 Ways and Means on H.B. No. 1771**

The purpose and intent of this measure is to appropriate funds to the Department of Defense to support operational mission readiness activities of the Hawaii Wing of the Civil Air Patrol, including facilities maintenance, not funded by the National Civil Air Patrol.

Your Committee received written comments in support of this measure from the Department of Defense, Department of Defense-Civil Defense Division, Department of Transportation, Hawaii Wing Civil Air Patrol, Chamber of Commerce of Hawaii, and two individuals. Written comments in opposition were received from one individual.

Your Committee finds that the Hawaii Wing of the Civil Air Patrol is an important partner of the State's emergency management agencies and provides valuable assistance related to security, education, search and rescue missions, and training. This measure ensures that the Hawaii Wing of the Civil Air Patrol can continue these important services.

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 is in accord with the intent and purpose of H.B. No. 1771, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1771, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahele, Kouchi).

**SCRep. 3352 Ways and Means on H.B. No. 1740**

The purpose and intent of this measure is to amend the appropriation amounts for fiscal year 2014-2015 contained in Act 217, Session Laws of Hawaii 2013, for the establishment of the statewide Language Access Resource Center and the establishment of the multilingual website pilot project.

Your Committee received written comments in support of this measure from the Department of Health, Office of Language Access; and the Hawaii Interpreter Action Network.

Your Committee recognizes that a sizeable segment of Hawaii's population has limited English proficiency and finds that, to ensure equal access to the services of government agencies and state-funded entities, it is imperative that the statewide Language Access Resource Center and the multilingual website pilot project be fully established. Your Committee notes that the Office of Language Access has made progress towards the creation of the statewide Language Access Resource Center and the multilingual website pilot project. This measure will ensure continued progress by providing the Office of Language Access with the appropriate funding to complete these endeavors.

Your Committee has amended this measure by changing the 2014-2015 fiscal year appropriations to establish a statewide Language Access Resource Center and a multilingual website pilot project to unspecified amounts 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. 1740, 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. 1740, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 3353 Ways and Means on H.B. No. 1713**

The purpose and intent of this measure is to appropriate funds to support programs and services related to aging.

This measure also requires and appropriates funds for the Executive Office on Aging to conduct a public education and awareness campaign on long-term care.

Your Committee received written comments in support of this measure from the Executive Office on Aging, City and County of Honolulu Department of Community Services, Maui County Office on Aging, American Council of Life Insurers, Policy Advisory Board for Elder Affairs, Alzheimer's Association-Aloha Chapter, Hawaii Family Caregiver Coalition, ILWU Local 142, Aloha United Way, Lanakila Pacific, Hawaii Primary Care Association, PHOCUSED, Catholic Charities, Child and Family Services, Lanakila Pacific, AARP, and one individual.

Your Committee finds that this measure includes funding for important programs that support the needs of the increasing population of elderly residents in Hawaii. The funding included in this measure is essential to maintain the health and welfare of Hawaii's most vulnerable seniors and their caregivers.

Your Committee has amended this measure by correcting a reference to the name of the American Association of Retired Persons.

As affirmed by the record of votes of the members 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. 1713, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1713, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3354 Ways and Means on H.B. No. 1706**

The purpose and intent of this measure is to increase the minimum penalty for driving or parking a motor vehicle on a bicycle lane or path.

Your Committee received written comments in support of this measure from the City and County of Honolulu Department of Transportation Services.

Your Committee finds that motorists who park on bicycle lanes or paths are becoming an increasing and persistent problem for cyclists and law enforcement officers. Illegally obstructing a bicycle lane or path creates a safety hazard for bicyclists and neighborhood residents. Your Committee finds that fines from tickets rarely exceed the \$35 minimum or increase with subsequent offenses. Increasing the minimum fine to \$200 will provide a sufficient disincentive to illegally obstruct a bicycle lane or path and will help to keep bicycle lanes and paths clear and safe for cyclists.

Your Committee has amended this measure by:

- (1) Specifying that the changes made by this measure do not affect the rights and duties that matured, penalties that were incurred, and proceedings that were begun before the effective date;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of style, 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. 1706, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1706, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3355 Ways and Means on H.B. No. 1702**

The purpose and intent of this measure is to support maritime dependent operators who are being displaced by the Kapalama container terminal project.

More specifically, this measure:

- (1) Establishes a nonrefundable capital infrastructure tax credit for taxpayers who invest in tenants displaced by the Kapalama container terminal project;
- (2) Allows allocations of the capital infrastructure tax credit to a partner under a partnership agreement even if the allocation does not have substantial economic effect; and
- (3) Recaptures a portion of the capital infrastructure tax credit if certain conditions are not met at the close of any taxable year.

Your Committee received written comments in support of this measure from The Chamber of Commerce of Hawaii, Pacific Marine, Pacific Shipyards International, Ship Repair Association of Hawaii, and seventy-two individuals. Written comments in opposition were received from Department of Taxation. The Department of Transportation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee recognizes that the Kapalama container terminal project is critical to modernizing commercial harbors and that completion of the project will ensure that harbor infrastructure will support sustained economic growth. Your Committee notes that no funds have been set aside to assist displaced maritime and waterfront dependent tenants of the Kapalama site. Your Committee finds that the displaced tenants will be relocated to various piers that have limited infrastructure, facilities, and utilities, which will require significant capital improvement to state-owned land. In light of state support provided for University of Hawaii-related tenants who have been displaced by the Kapalama container terminal project, your Committee believes that it is also appropriate to support the maritime dependent operators in Kapalama who are being displaced by the project.

Your Committee has amended this measure by:

- (1) Defining the term "base investment;" and
- (2) 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 H.B. No. 1702, 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. 1702, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3356 Ways and Means on H.B. No. 1823**

The purpose and intent of this measure is to require nonbinding mediation in disputes regarding the fair market value or fair market rental of public lands.

The measure also specifies the procedures for binding arbitration if mediation does not resolve a dispute regarding fair market rental for the reopening of the rental to be paid on a lease.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation; David S. De Luz Sr., Enterprises, Inc.; Citizens for Fair Valuation; the Hawaii Aquaculture and Aquaponics Association; the Sand Island Business Association; and three individuals. Written comments in opposition were received from the Department of Land and Natural Resources.

Your Committee finds that mediation should be made available to resolve disputes regarding the fair market value or fair market rental of public lands in transactions involving the Board of Land and Natural Resources and private purchasers, owners, or leaseholders. Your Committee believes that this measure will encourage parties to work collaboratively toward mutual solutions in valuation disputes regarding public lands.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2020, to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes 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 H.B. No. 1823, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1823, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Tokuda).

**SCRep. 3357 Ways and Means on H.B. No. 1692**

The purpose and intent of this measure is to adopt the recommendations made by the Auditor in Auditor Report No. 13-09 to improve the efficiency, transparency, and accountability of the Hawaii Tourism Authority.

Specifically, this measure:

- (1) Requires the tourism marketing plan to be a single, comprehensive document;
- (2) Defines the “Hawaii brand” as the programs that collectively differentiate the Hawaii experience from other destinations; and
- (3) Requires the Hawaii Tourism Authority to have a permanent, strong focus on Hawaii brand management.

Your Committee received written comments in support of this measure from the Office of the Auditor and the Hawaii Tourism Authority. The Office of Information Practices submitted written comments on this measure.

Your Committee finds that the current tourism marketing plan for Hawaii is nearly six hundred pages long and dispersed across over a dozen different documents. Requiring the Hawaii Tourism Authority to create a tourism marketing plan that is a single document, and to include that document with its report to the Legislature on the progress towards achieving the plan’s strategic goals, will increase efficiency, transparency, and accountability.

Your Committee has amended this measure by:

- (1) Clarifying that the brand management referenced in the measure is for the “Hawaii brand”;
- (2) Requiring the Hawaii Tourism Authority to include the tourism marketing plan in its annual report to the Legislature;
- (3) Authorizing the Hawaii Tourism Authority to withhold competitively sensitive information from public disclosure; and
- (4) Making technical nonsubstantive amendments for the purposes of style, 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. 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, 13. Noes, none. Excused, none.

**SCRep. 3358 (Majority) Ways and Means on H.B. No. 1756**

The purpose and intent of this measure is to establish a standardized framework for operations and provide funding for after-school programs in public middle and intermediate schools.

Specifically, this measure:

- (1) Establishes the Resources for Enrichment, Athletics, Culture, and Health program within the Office of Youth Services;
- (2) Establishes a special fund to support the program; and
- (3) Appropriates funds for establishment of the program and one full-time equivalent position to support the program.

Your Committee received written comments in support of this measure from the Office of the Lieutenant Governor, Department of Human Services, Office of Youth Services of the Department of Human Services, Office of Hawaiian Affairs, Mililani Middle School, Hawaii Youth Services Network, Oceanic Time Warner Cable, After-School All-Stars Hawaii, and Reach Out Hawaii.

Your Committee finds that many children are particularly vulnerable to negative influences during their middle and intermediate school years. Engaging children in quality after-school programs helps ensure that they have positive alternatives to keep them on the path toward healthy and productive futures. Your Committee believes that reaching out to at-risk youth and providing appropriate guidance supports efforts to increase graduation rates, promote healthy lifestyles, and prevent criminal activity.

Your Committee has amended this measure to comply with recommended drafting conventions and to conform to existing style guidelines for the Hawaii Revised Statutes, by deleting the acronym REACH and instead spelling out the full name of the Resources of Enrichment, Athletics, Culture, and Health 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. 1756, 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. 1756, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 3359 (Majority) Ways and Means on H.B. No. 1958**

The purpose and intent of this measure is to provide flexibility in the calculation of overtime compensation for government public work construction contracts greater than \$2,000.

Specifically, the measure provides that overtime compensation for laborers and mechanics:

- (1) May exceed the current rate of one and one-half times the prevailing basic hourly rate of pay plus fringe benefits; and
- (2) Shall be at the rates specified in a collective bargaining agreement if the prevailing basic hourly rate is based on a rate set by the agreement.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, United Public Workers, Hawaii Operating Engineers Industry Stabilization Fund, and Hawaii Construction Alliance. The General Contractors Association of Hawaii submitted written comments.

Your Committee finds that overtime compensation for public works is currently based on one and one-half times the laborer's or mechanic's prevailing basic hourly rate of pay plus the employer's cost of furnishing fringe benefits. This measure provides flexibility in the payment of overtime by establishing time and a half as a floor rather than a set rate. In addition, this measure promotes parity between union contractors and non-union contractors by setting overtime compensation at the rate specified in a collective bargaining agreement if the prevailing basic hourly rate used to determine overtime compensation is based on a rate in the agreement.

Your Committee has amended this measure by making technical nonsubstantive amendments to conform a statutory cross-reference in section 444-16.5, Hawaii Revised Statutes, to a provision amended by 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. 1958, 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. 1958, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 3360 Ways and Means on H.B. No. 2590**

The purpose and intent of this measure is to allow voter registration at absentee polling places beginning in 2016 and late voter registration, including on Election Day, beginning in 2018.

The measure also appropriates an unspecified amount for the counties to implement the measure, which may include upgrading the registration process by purchasing electronic poll books.

Your Committee received written comments in support of this measure from the Office of Elections, the Office of Hawaiian Affairs, Common Cause Hawaii, and the League of Women Voters of Hawaii. Written comments in opposition were received from the City and County of Honolulu Office of the City Clerk, The County of Maui Office of the County Clerk, County of Hawaii Office of the County Clerk, and County of Kauai Office of the County Clerk submitted written comments on the measure.

Your Committee finds that Hawaii has historically suffered from low voter turnout. Your Committee believes that this measure will create a more accessible voter registration process, thereby facilitating higher voter turnout rates.

Your Committee has amended this measure by:

- (1) Clarifying that persons applying for registration shall submit evidence of residency, which includes the street address of the person's residence;
- (2) Deleting references to "under oath" in regards to the signing of a self-subscribing affidavit of residency;
- (3) Changing the effective date from July 1, 2014, to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes 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 H.B. No. 2590, 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. 2590, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 3361 (Majority) Ways and Means on H.B. No. 1652**

The purpose and intent of this measure is to establish a five-year pilot project at the Daniel K. Inouye College of Pharmacy at the University of Hawaii at Hilo under which the college will be financially and managerially autonomous.

This measure also establishes, and appropriates funds out of, a special fund for the college.

Your Committee received written comments in support of this measure from the Mayor of the County of Hawaii, the University of Hawaii at Hilo, Hawaii Health Systems Corporation, Hawaii Island Economic Development Board, Hawaii Leeward Planning Conference, Friends of the Daniel K. Inouye College of Pharmacy, Hawaii Construction Alliance, Walgreens, Japanese Chamber of Commerce and Industry, and nine individuals. Written comments in opposition to this measure were received from one individual. Written comments on the measure were received from the Department of Budget and Finance.

Your Committee finds that this measure provides a much needed avenue of funding for the college of pharmacy's facilities, which the college needs in order to maintain its accreditation.

Your Committee has amended this measure by adding language addressing the possible termination of the pilot program with regard to: student enrollment and the completion of academic programs; and the rights and obligations relating to capital improvement 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 H.B. No. 1652, 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. 1652, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, none.

**SCRep. 3362 (Majority) Ways and Means on H.B. No. 1551**

The purpose and intent of this measure is to establish and appropriate funds for the Office of Hawaiian Education to provide instruction to public school students on Hawaiian history, culture, arts, and language and to oversee the constitutionally established Hawaiian education programs and the Hawaiian language medium education program.

Your Committee received written comments in support of this measure from the Board of Education, the Department of Education, the Office of Hawaiian Affairs, Hawaii State Teachers Association, Ka Lei Papahi o Kakuhihewa, and seven individuals. Written comments in opposition were received from the Center for Hawaiian Sovereignty Studies. Ahu Kauleo Hawaiian Immersion Advisory Council submitted written comments on the measure.

Your Committee finds that establishing the Office of Hawaiian Education will help to ensure that Hawaiian values, language, culture, and history provide a foundation for preparing Hawaii's public school students to succeed in college, their careers, and improving their communities.

Your Committee has amended this measure by:

- (1) Amending the purpose section to align the measure with Board of Education policies;
- (2) Removing Hawaiian art instruction from the responsibilities of the Office of Hawaiian Education; and
- (3) Placing Ka papahana kaiapuni under the direct oversight and responsibility of the Office of Hawaiian Education.

As affirmed by the record of votes of the members 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. 1551, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1551, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 3363 Ways and Means on H.B. No. 2169**

The purpose and intent of this measure is to provide incentives to stimulate tourism.

More specifically, this measure:

- (1) Establishes a nonrefundable income tax credit for hotel and resort owners and operators, based on a percentage of wages paid to certain new employees who are hired following the construction or renovation of a hotel or resort;
- (2) Establishes a general excise tax exemption for certain income from the construction or renovation of a hotel or resort; and
- (3) Establishes a use tax exemption for property, services, and contracting subject to the general excise tax exemption.

Your Committee received written comments in support of this measure from the Hawaii Tourism Authority, Hawaii Regional Council of Carpenters, and Wyndham Vacation Ownership. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that tourism is Hawaii's principal industry and contributes significantly to the state economy. Your Committee also finds that Hawaii must revitalize its aging hotel and resort infrastructure in order to remain competitive as a viable travel and tourist destination. Your Committee believes that this measure will provide an incentive for the private sector to invest in hotel and resort construction and renovation.

Your Committee has amended this measure by:

- (1) Deleting language that defined the term “department” to mean the Department of Business, Economic Development, and Tourism;
- (2) Copying pertinent definitions from the proposed general excise tax exemption statute to the proposed income tax credit statute;
- (3) Deleting language authorizing the Department of Business, Economic Development, and Tourism to establish a fee in connection with the certification of claims for the general excise tax exemption;
- (4) Clarifying the definition of the term “hotel facility;” and
- (5) 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 H.B. No. 2169, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2169, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3364 Ways and Means on H.B. No. 2282**

The purpose and intent of this measure is to support Hawaii’s technology industry.

Specifically, this measure:

- (1) Changes the name of the High Technology Development Corporation to the Hawaii Technology Development Corporation.
- (2) Authorizes the Hawaii Technology Development Corporation to provide grants to any business in Hawaii that receives a federal small business innovation research phase II or III award or contract from a participating federal agency similar to the grant qualification of businesses that have received a federal small business technology transfer program phase II or III award or contract; and
- (3) Re-establishes the High Technology Innovation Corporation to facilitate the growth and development of the commercial high technology industry in Hawaii.

Your Committee received written comments in support of this measure from Spectrum Photonics, The Chamber of Commerce of Hawaii; Terasys Technologies, and Oceanit Laboratories Inc. The Department of the Attorney General, Hawaii Strategic Development Corporation, and High Technology Development Corporation submitted written comments on the measure.

Your Committee finds that changing the name of the High Technology Development Corporation to the Hawaii Technology Development Corporation will help to more accurately reflect the corporation’s mission to work with all technology industries. Your Committee also finds that authorizing the Hawaii Technology Development Corporation to provide grants to businesses in Hawaii that have received a federal small business innovation research phase II or III award or contract, in addition to the current phase I awards or contracts, will help to provide mid- and late-stage funding for businesses that are attempting to become commercially viable.

In addition, your Committee believes that re-establishing the High Technology Innovation Corporation will help to support the efforts of the Hawaii Technology Development Corporation by providing access to additional sources of revenue not otherwise available and by increasing the flexibility to quickly and effectively respond to growth and development demands in Hawaii’s technology sector.

Your Committee has amended this measure by:

- (1) Amending the language authorizing the Hawaii Technology Development Corporation to provide grants to any business in Hawaii that receives a federal small business innovation research award or contract to mirror the language in section 206M-15(b)(2), Hawaii Revised Statutes, regarding the federal small business technology transfer program;
- (2) Authorizing the ex officio members of the High Technology Innovation Corporation board of directors to designate a representative to the board; and
- (3) Making technical nonsubstantive amendments to correct a spelling error and 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. 2282, 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. 2282, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3365 Ways and Means on H.B. No. 2179**

The purpose and intent of this measure is to support the State’s agricultural industry by limiting the toll that the Board of Agriculture may charge for water from the Lower Hamakua Ditch.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation and the Ulupono Initiative. The Department of Agriculture submitted written comments on the measure.

Your Committee finds that the high cost of water is deterring farmers and ranchers from expanding their operations and increasing efficiency in the area served by the Lower Hamakua Ditch. Stabilizing the water rate in this area will provide an incentive for farmers to grow additional crops and for ranchers to grass feed their livestock instead of utilizing expensive imported feeds.

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 H.B. No. 2179, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2179, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3366 Ways and Means on H.B. No. 1772**

The purpose and intent of this measure is to facilitate access to quality health care for veterans of the United States Armed Services.

More specifically, this measure clarifies that the amounts received by a contractor in payment for the costs or advancements to third party health care providers, pursuant to a contract with the United States Department of Veterans Affairs for the administration of the Patient-Centered Community Care program, are excluded from the state general excise tax.

Your Committee received written comments in support of this measure from TriWest Healthcare Alliance. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the Patient-Centered Community Care program is a program of the United States Department of Veterans Affairs to ensure access to high-quality, low-cost health care services for veterans. On behalf of the United States Department of Veterans Affairs, contractors make advances to third party health care providers for costs of health care services provided to veterans under the program. The United States Department of Veterans Affairs subsequently reimburses the contractor for the costs or advancements made to third party health care providers. Your Committee also finds that some uncertainty may exist as to whether the reimbursements received by the contractors are subject to the state general excise tax. Your Committee believes that this measure will eliminate any uncertainty by clarifying that the reimbursements are not subject to the state general excise tax.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) 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 H.B. No. 1772, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1772, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3367 Ways and Means on H.B. No. 1288**

The purpose and intent of this measure is to address succession issues relating to the Office of the Lieutenant Governor.

More specifically, this measure:

- (1) Provides that the successor to the Office of the Lieutenant Governor, when the Office of the Lieutenant Governor becomes vacant, shall be a member of the same political party as the Governor;
- (2) Allows the Governor to appoint a Lieutenant Governor in the absence of an appropriate successor; and
- (3) Clarifies the order of succession when the Lieutenant Governor is temporarily absent from the State or is temporarily disabled.

Your Committee received no written comments on this measure.

Your Committee finds that the requirement that the successor to the Office of the Lieutenant Governor be of the same political party as the Governor allows for an expeditious transition of the powers and duties to the successor. Your Committee believes that this measure will provide for a more efficient execution of government services as well as ensure that policies and initiatives are not compromised upon the change in the Office of the Lieutenant Governor.

Your Committee has amended this measure by:

- (1) Reinserting existing statutory language that was inadvertently omitted;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes 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 H.B. No. 1288, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1288, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3368 Ways and Means on H.B. No. 866**

The purpose and intent of this measure is to clarify and confirm the counties' ownership of and obligation to operate, improve, repair, maintain, and replace certain existing sewer systems servicing Hawaiian Home Lands.

The measure also requires the counties to accept dedication or license of and responsibility for sewer systems servicing Hawaiian Home Lands upon demand by the Department of Hawaiian Home Lands, subject to certain conditions.

Your Committee received written comments in support of this measure from the Department of Hawaiian Home Lands. Written comments in opposition to the measure were received from one individual.

Your Committee finds that sewer transmission lines and other sewerage facilities servicing lots located on Hawaiian Home Lands are or will be in need of improvement, repair, and maintenance. Your Committee believes that this measure will ensure the operation, improvement, repair, and maintenance of sewer systems servicing Hawaiian Home Lands.

Your Committee encourages the Department of Hawaiian Home Lands and the counties to explore the feasibility of cost sharing as a funding mechanism, or the provision of funds by the Department of Hawaiian Home Lands to the counties, in order to bring sewer systems into substantial compliance with relevant laws, rules, and regulations prior to a county accepting license or dedication and ownership thereof.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2020, to July 1, 2050, to facilitate further discussion on the measure; 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 H.B. No. 866, 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. 866, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 3369 Ways and Means on H.B. No. 493**

The purpose and intent of this measure is to protect African elephants and other endangered species that are hunted for their ivory.

Specifically, this measure:

- (1) Establishes the offense of the unlawful sale or trade of ivory products for any person who imports, sells, offers to sell, or possesses with the intent to sell any ivory product;
- (2) Defines "ivory products" as ivory teeth or tusks from any of the following: elephants, hippopotamuses, walruses, whales, and narwhals;
- (3) Creates exemptions for the sale or trade of certain ivory products, including antique ivory or ivory legally imported prior to 1975 if from an Asian elephant or prior to 1990 if from an African elephant; provided that the seller can demonstrate that the ivory product meets specific requirements; and
- (4) Allows the forfeiture of seized ivory products and provides penalties.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Elephants DC, Elephants NJ, Golfing for Elephants, In Defense of Animals - Elephant Protection Campaign, International Fund for Animal Welfare, Natural Resources Defense Council, Save the Elephants, South African Safari Adventures, and forty-two individuals. Written comments in opposition were received from the League of Women Voters of Hawaii. The Department of the Attorney General and one individual submitted written comments on the measure.

Your Committee finds that the international trade of ivory has driven African elephants to the brink of extinction. Your Committee further finds that an investigation supported by The Humane Society of the United States and Humane Society International found that Hawaii is the third-highest retailer of elephant ivory in the United States, behind only California and New York.

Accordingly, your Committee believes that the sale of elephant ivory should be prohibited in Hawaii, with certain limited exceptions, and that the prohibition should also extend to other endangered animals that have ivory teeth or tusks, to prevent an increase in poaching of these other species.

Your Committee has amended this measure by:

- (1) Inserting references to specific federal government definitions and qualifications for exempt antique ivory products and the types of appraisals that may be used to identify them;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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 H.B. No. 493, 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. 493, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).



**SCRep. 3370 Ways and Means on H.B. No. 1539**

The purpose of this measure is to prevent applicants from circumventing the waiting list of the housing choice voucher program by requiring that housing choice vouchers be surrendered upon the vacancy of the last original household member or when the youngest minor of the household reaches age twenty-one.

Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority, Community Alliance for Mental Health, and two individuals.

Your Committee finds that some individuals circumvent the housing choice voucher program waiting list by adding new people to a household and allowing them to “inherit” a housing choice voucher. Your Committee believes that this is a misuse of the program that causes needy and deserving families to remain on the waiting list longer than appropriate and forces them to temporarily live in unsafe neighborhoods. Your Committee finds that this measure will close an existing loophole in the law and promote equity in the housing choice voucher program.

Your Committee has amended this measure by:

- (1) Authorizing a household to retain a housing choice voucher until a minor in the household reaches age twenty-three if the minor is a full-time student;
- (2) Specifying how minors may be added to a household without jeopardizing the validity of the household’s housing choice voucher status; and
- (3) Deleting the requirement that any legal guardian added to a household to care for the minor children must be eligible for participation in the housing choice voucher program, but retaining the prohibition that the legal guardian may not retain the housing choice voucher following the youngest minor reaching age twenty-one or twenty-three, as applicable.

As affirmed by the record of votes of the members 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. 1539, 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. 1539, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3371 Ways and Means on H.B. No. 1564**

The purpose and intent of this measure is to require the counties to obtain approval from the Office of Veterans’ Services prior to any action that may negatively impact the State’s ability to fulfill its obligation to establish and maintain veterans’ cemeteries or impair the allocation of federal funds.

Your Committee received written comments in support of this measure from the Department of Defense, the Military Officer Association of America, and the Office of Veterans Services Advisory Board.

Your Committee finds that the State must ensure the continued allocation of federal funds for veterans cemeteries by requiring compliance by the counties with all federal requirements regarding those cemeteries. To that end, your Committee believes that the Office of Veterans’ Services, which oversees the State’s veterans cemeteries, should approve in advance any county action that may have an adverse financial impact upon the State’s fiscal obligations regarding veterans cemeteries, or that may impair or conflict with federal requirements.

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 H.B. No. 1564, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1564, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahele, Kouchi).

**SCRep. 3372 Ways and Means on H.B. No. 1576**

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to increase the monthly board rate for foster care services for children.

Your Committee received written comments in support of this measure from the Department of Human Services; Hawaii Youth Services Network; Family Programs Hawaii - It Takes An ‘Ohana; Family Programs Hawaii President and Chief Executive Officer; Catholic Charities Hawaii; Hawaii Appleseed Center for Law and Economic Justice; EPIC Ohana Inc.; and ten individuals.

Your Committee finds that the Department of Human Services has not raised the monthly board rate for foster care services since 1990. Foster boarding home parents provide a nurturing, healthy, and safe environment for a child’s development. Increasing the monthly board rate will not only allow foster care parents to meet the increasing costs of raising children in today’s society but will also encourage prospective foster care providers to provide foster care children with the essential family resources to ensure healthy emotional, psychological, and physical development.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 1576, 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. 1576, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3373 (Majority) Ways and Means on H.B. No. 2038**

The purpose and intent of this measure is to impose a human trafficking victim services fee upon individuals who are convicted of certain trafficking offenses and to establish a special fund for the fee.

Your Committee received written comments in support of this measure from Hawaii Family Forum, Pacific Alliance to Stop Slavery, Hawaii Catholic Conference, Ho'ola Napua, IMUAlliance, and four individuals. Your Committee received written comments in opposition to this measure from the Department of Budget and Finance.

Your Committee finds that the creation of the special fund will make it possible for human trafficking victims to receive quality services for their recovery efforts.

Your Committee has amended this measure by:

- (1) Deleting an incorrect reference to chapter 853, Hawaii Revised Statutes;
- (2) Correcting and clarifying statutory terms and references used in the measure; and
- (3) Clarifying the order of priority of payments when a defendant is ordered to make payments in addition to the human trafficking victim services fee.

As affirmed by the record of votes of the members 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. 2038, 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. 2038, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 3374 Ways and Means on H.B. No. 1974**

The purpose and intent of this measure is to assist the Director of Labor and Industrial Relations in adjusting the workers' compensation medical fee schedule.

Specifically, this measure:

- (1) Requires the Director of Labor and Industrial Relations to update the workers' compensation medical fee schedule annually, rather than every three years or annually, as required;
- (2) Authorizes the Director of Labor and Industrial Relations to annually establish a maximum allowable fee ceiling in excess of one hundred ten per cent of fees prescribed in the Medicare Resource Based Relative Value Scale applicable to Hawaii;
- (3) Appropriates funds for a report to the Legislature analyzing the measure's impact on workers' compensation claimants' access to appropriate treatment; and
- (4) Appropriates funds for two positions to implement an annual review process and to support the annual fee schedule rule-making process.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations; United Public Workers; ILWU Local 142; Kaiser Permanente; Work Injury Medical Association of Hawaii; and two individuals. Written comments in opposition were received from The Chamber of Commerce of Hawaii, Hawaiian Electric Company, Inc., Hawaii Insurers Council, and Property Casualty Insurers Association of America. The Department of Human Resources Development and the Office of the Auditor submitted written comments.

Your Committee feels that the current schedule of maximum allowable fees for the medical treatment of injured workers has resulted in limiting the number of physicians willing to treat injured workers, thus preventing many injured workers from obtaining the medical treatment necessary to return to work. Your Committee finds that providing the Department of Labor and Industrial Relations the authority to increase the maximum allowable fees to physicians for the treatment of injured workers will increase access to treatment for injured workers and allow them to return to work sooner.

Your Committee has amended this measure by:

- (1) Removing the civil service exemption for the research statistician III and office assistant IV positions funded by this measure; and
- (2) Changing the effective date to July 1, 2050, 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. 1974, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1974, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Kahele).

**SCRep. 3375 Ways and Means on H.B. No. 1514**

The purpose and intent of this measure is to assist the local coffee industry in mitigating the effects of the coffee berry borer.

Specifically, the measure appropriates funds for:

- (1) Education and mitigation activities to combat the coffee berry borer; and
- (2) A pesticide subsidy program to assist coffee growers with offsetting the cost of purchasing pesticides containing *Beauveria bassiana*.

Your Committee received written comments in support of this measure from the University of Hawaii College of Tropical Agriculture and Human Resources, the Department of Agriculture, the Department of Land and Natural Resources, the Hawaii Farm Bureau Federation, the Edmund C. Olson Trust II, the Hawaii Farmers Union United, the Hawaii Coffee Association, Hale Kai Lana Inc., the Hawaii Coffee Growers Association, the Kona Coffee Council, the Royal Kona Coffee Visitor Center Mill and Museum, Greenwell Farms Inc., the Kauai Coffee Company, and four individuals.

Your Committee finds that invasive species are a primary threat to Hawaii's agriculture and economy. The coffee berry borer poses a significant problem for coffee farmers in Hawaii, and the additional funds will help the Department of Agriculture in its efforts to contain the infestation.

Your Committee has amended this measure by:

- (1) Authorizing the pesticide use revolving fund to receive and expend appropriations for the pesticide subsidy program;
- (2) Redirecting the deposit of the general fund appropriation to the pesticide use revolving fund and to appropriate funds from the revolving fund for the pesticide subsidy program; and
- (3) Protecting the revolving fund expenditures for the pesticide subsidy program from a 2015 repeal and reenactment that affects the revolving fund.

Your Committee has deposited the infusion of general funds into the pesticide use revolving fund to protect the infused funds from lapsing on June 30, 2015. Your Committee feels that, since the pesticide subsidy pilot project is for a five-year period, the infused funds should be available for the entire pilot project period.

As affirmed by the record of votes of the members 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. 1514, 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. 1514, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3376 Ways and Means on H.B. No. 1491**

The purpose and intent of this measure is to provide for the fiscally responsible use of state moneys.

Specifically, this measure requires the University of Hawaii to provide written notice to the Director of Finance before:

- (1) Transferring special fund moneys to another special fund or before expending special fund moneys beyond that of the statutory purpose of the special fund; and
- (2) The transfer of appropriated funds and positions for the operating cost category among programs or cost elements in a program.

Your Committee received written comments in opposition from the University of Hawaii. The Department of Budget and Finance submitted written comments on the measure.

Your Committee finds that requiring the University of Hawaii to provide notice prior to transferring money between special funds, using special fund money for purposes outside of what is statutorily authorized, or transferring appropriations between programs will increase accountability and transparency of the University's finances. Your Committee notes that this measure does not establish a penalty if the University of Hawaii fails to provide the requisite notice as required by this measure and believes that this issue should be a topic of discussion when this measure is being considered by the legislative Committee on 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. 1491, 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, 1 (Dela Cruz).

**SCRep. 3377 Ways and Means on H.B. No. 737**

The purpose and intent of this measure is to statutorily implement a proposed constitutional amendment that authorizes the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist agricultural enterprises.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation, the Land Use Research Foundation of Hawaii, Alexander and Baldwin, Inc., and Hawaii Farmers Union United. Written comments on this measure were received from the Department of Budget and Finance, the Department of Agriculture, and the Local Food Coalition.

Your Committee finds that special purpose revenue bonds provide the private sector with access to the lower rates available in public finance capital markets. Your Committee further finds that decaying plantation-era or obsolete infrastructure, high

transportation costs, and regulatory compliance issues threaten the food security and sustainability of our State. Farmers and ranchers need access to affordable capital to implement the many projects that contribute to feeding the State's residents. If the proposed constitutional amendment authorizing the use of special purpose revenue bonds for this purpose is ratified, this measure will provide the statutory means by which agriculturalists may avail themselves of this financing mechanism.

As affirmed by the record of votes of the members 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. 737, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 3378 Ways and Means on H.B. No. 570**

The purpose and intent of this measure is to enhance the penalty for unlicensed contracting violations committed against the elderly, from \$10,000 to \$20,000.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and the Contractors License Board's Legislative Committee.

Your Committee finds that the rise in elder abuse, such as theft and fraud, has prompted the increasing need to protect the elderly from business scams and impersonators. Your Committee further finds that many victims of unlicensed contractors suffer in some way, from unrecoverable down payments to poor workmanship. However, elderly victims in particular have fewer resources and options available to them. Your Committee believes that this measure will enhance protections for elderly consumers and help uphold the integrity of the contractor profession.

As affirmed by the record of votes of the members 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. 570, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3379 Ways and Means on H.B. No. 849**

The purpose and intent of this measure is to recodify the emergency management statutes by updating statutes, clarifying the relationship between the state and the county emergency management agencies, and delineating the emergency management functions and powers of the Governor and mayors.

Your Committee received written comments in support of this measure from the Department of Transportation, the Department of Defense, the Civil Defense Division of the Department of Defense, the Department of Labor and Industrial Relations, the Department of Business, Economic Development and Tourism, the Department of Agriculture, the Judiciary, the Office of the Mayor of the County of Kauai, the Hawaii County Civil Defense, the City and County of Honolulu Police Department, the Department of Emergency Management of the City and County of Honolulu, American Red Cross-Hawaii State Chapter, Healthcare Association of Hawaii, and the Civil Defense Advisory Council. Your Committee received written comments in opposition to this measure from one individual. Written comments on this measure were received from the Public Utilities Commission.

Your Committee finds that this measure represents an important step for Hawaii to become better prepared for the unexpected and provides for a more coordinated management of emergencies and disasters.

Your Committee has amended this measure by:

- (1) Clarifying the policy and purposes of the new statutory chapter on emergency management to specify that the Governor shall be responsible for the emergency management system of the State and for coordinating resources to effectively prepare for and respond to emergencies and disasters within the State;
- (2) Specifying that the Hawaii Emergency Management Agency established by this measure shall lead a comprehensive and collaborative emergency management system for the State;
- (3) Clarifying that in the event of an emergency or disaster beyond local control, the Governor may take control of the disaster or emergency incident, upon the request of the local entity;
- (4) Adding a new section to make a conforming amendment to section 321-23(c), Hawaii Revised Statutes, to delete the reference to chapter 127, Hawaii Revised Statutes, which is being repealed by this measure;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity, style, 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. 849, 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. 849, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 3380 Ways and Means on H.B. No. 1977**

The purpose and intent of this measure is to clarify what proposals can be included in a party's final position submission to a public sector collective bargaining arbitration panel.

Specifically, the measure limits the types of proposals that can be included in a public employer's and exclusive representative's final positions submitted for arbitration to the specific proposals that were previously exchanged in writing between the parties and were the subject of collective bargaining between the parties up to the time of impasse.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association and United Public Workers. Written comments in opposition were received from the Department of Budget and Finance, Office of Collective Bargaining, and the City and County of Honolulu Department of Human Resources.

Your Committee finds that the current law regarding what may be included in a party's final position for the arbitration of a collective bargaining agreement is vague and unclear. This measure clarifies that the final positions submitted by the parties shall only include those proposals previously exchanged in writing between the parties and that were the subject of collective bargaining up to the time of impasse. Your Committee believes that this measure will prevent arbitration hearings from being unnecessarily extended, contain costs, and ensure that collective bargaining is conducted in good faith.

As affirmed by the record of votes of the members 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. 1977, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Thielen, Slom). Noes, none. Excused, 2 (Dela Cruz, Kahele).

**SCRep. 3381 (Majority) Ways and Means on H.B. No. 2277**

The purpose and intent of this measure is to establish and fund a permanent health care transformation program.

Specifically, this measure:

- (1) Transfers the Office of Health Care Transformation from the Office of the Governor to the State Health Planning and Development Agency of the Department of Health;
- (2) Changes the name of the State Health Planning and Development Agency to the Hawaii Health Care Planning and Policy Authority; and
- (3) Establishes a special fund for the Office of Health Care Transformation.

Your Committee received written comments in support of this measure from the Office of the Governor, Department of Health, East Hawaii Regional Chief Executive Officer of the Hawaii Health Systems Corporation, Hawaii Health Information Exchange, Ho'ola Lahui Hawaii, Hawaii Medical Service Association, Hawaii Association of Health Plans, The Queens Health Systems, Hawaii Pacific Health, Hawaii Primary Care Association, and two individuals.

Your Committee finds that the health care transformation program is temporarily placed within the Office of the Governor. Your Committee believes that establishing a permanent Office of Health Care Transformation is instrumental to the health and well-being of Hawaii's residents. Your Committee also finds that the State Health Planning and Development Agency, in its expanded role as the Hawaii Health Care Planning and Policy Authority, will be able to expand its oversight across a wider range of health care issues, thus strengthening health care delivery in Hawaii.

Your Committee has amended this measure by:

- (1) Amending other sections and a part title of chapter 323D, Hawaii Revised Statutes, for consistency or conformity with this measure;
- (2) Consolidating related provisions, deleting unnecessary or redundant language, and clarifying or correcting words, terms, and references;
- (3) Changing the appropriation for the Health Transformation Coordinator to carry out the purposes of the health care transformation program to an unspecified amount; and
- (4) Changing all effective dates to July 1, 2050, 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. 2277, 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. 2277, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Kidani). Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 3382 Ways and Means on H.B. No. 1588**

The purpose and intent of this measure is to clarify that the \$850,000 ceiling for the civil service exemption on selected contracts for custodial and grounds maintenance services with qualified community rehabilitations programs shall apply on a per contract basis.

Your Committee received written comments in support of this measure from Ka Lima O Maui. United Public Workers submitted written comments in opposition to the measure.

Your Committee finds that one public sector legal entity in Hawaii has interpreted the \$850,000 ceiling of section 76-77(16), Hawaii Revised Statutes, as applying to all subject contracts while a different public sector legal entity has interpreted the ceiling as applying on a per contract basis. Your Committee finds that this measure will provide the requisite clarification that the statutory ceiling applies on a per contract basis.

Your Committee has amended this measure by:

- (1) Clarifying and improving the readability of the amended civil service exemption for custodial and grounds maintenance services by a qualified community rehabilitation program by recasting the provision as a separate paragraph under section 76-77, Hawaii Revised Statutes; and
- (2) Changing the effective date to July 1, 2050, 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. 1588, 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. 1588, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3383 Ways and Means on H.B. No. 2468**

The purpose and intent of this measure is to facilitate the growth of agriculturally related business development in the State.

Specifically, the measure:

- (1) Authorizes the Department of Business, Economic Development, and Tourism, in collaboration with the Department of Agriculture, to perform studies and analysis relating to establishing facilities on the island of Hawaii for quarantine inspection and treatment and handling incoming and outgoing agricultural commodities;
- (2) Authorizes the Governor to do all things necessary and proper to carry into effect the establishing, maintaining, and operating of an agricultural foreign-trade zone;
- (3) Establishes an agricultural technology park under the High Technology Development Corporation; and
- (4) Appropriates unspecified amounts to the Department of Business, Economic Development, and Tourism, and the High Technology Development Corporation to carry out the purposes of this measure.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; the High Technology Development Corporation; the Department of Agriculture; the Hawaii Farm Bureau Federation; Sugarland Growers, Inc.; the Big Island Invasive Species Committee; and The Nature Conservancy of Hawaii.

Your Committee finds that agriculture is and has been a major economic driver for the State. Your Committee believes that the development of a central marketing facility on the island of Hawaii for the collection, consolidation, packing, and shipping of agricultural products will facilitate the movement of agricultural commodities in, out, and throughout the State.

Your Committee has amended this measure by:

- (1) Clarifying that Part I of the measure authorizes the Department of Business, Economic Development, and Tourism to perform planning and feasibility studies for the development of one or more facilities for quarantine treatment, deconsolidation, and consolidation of imported and exported agricultural commodities on the island of Hawaii;
- (2) Replacing the contents of Part II, regarding the establishment of an agricultural foreign-trade zone, with language that authorizes the Department of Business, Economic Development, and Tourism, in collaboration with the Department of Agriculture, to perform studies and analysis relating to the implementation of designated foreign-trade zone sites and appropriates an unspecified amount therefor;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (4) Making technical nonsubstantive changes 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 H.B. No. 2468, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2468, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Ruderman, Thielen). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3384 Ways and Means on H.B. No. 2509**

The purpose and intent of this measure is to assist communities affected by discarded or abandoned tires.

Specifically, the measure appropriates funds for programs that promote the removal, from the landscape, of tires that have been illegally dumped, including county abandoned tire removal programs.

Your Committee received written comments in support of this measure from a member of the Hawaii County Council, the Mikilua Valley Community Association, Life of the Land, and two individuals. The Department of Health submitted written comments on the measure.

Your Committee finds that discarded and abandoned tires are a persistent problem in the State and that they pose a threat to the environment and human health. Accordingly, your Committee believes that programs promoting the removal of illegally dumped tires, including county abandoned tire removal programs, should be supported.

Your Committee has amended this measure by changing the appropriation from \$250,000 to an unspecified amount 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. 2509, 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. 2509, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3385 Ways and Means on H.B. No. 1942**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Princeton Energy Group in constructing the Ikehu Molokai Project, a renewable energy project with energy storage technology on Molokai.

Your Committee received written comments in support of this measure from the Chamber of Commerce of Hawaii, Ulupono Initiative, and Blue Planet Foundation. The Department of Budget and Finance submitted written comments.

Your Committee finds that Molokai residential electricity rates are some of the most expensive in the nation at around 46 cents per kilowatt hour. Solar and wind electricity generation on Molokai are quickly reaching production levels that cannot be handled by the existing electrical grid. The Ikehu Molokai Project will provide capacity to store excess electricity production from solar, wind, and other renewable sources, thus supporting the stabilization of the electrical grid, reducing Molokai's dependence on fossil fuels, decreasing Hawaii's carbon footprint, and reducing electricity rates for Molokai residents.

As affirmed by the record of votes of the members 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. 1942, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3386 Ways and Means on H.B. No. 1667**

The purpose and intent of this measure is to recognize the sacrifices made by members of the United States armed services by exempting qualified disabled veterans from a portion of certain motor vehicle registration fees.

Specifically, this measure:

- (1) Exempts veterans who are rated as one hundred percent disabled due to service-related injury from paying one-half of the state motor vehicle registration fee on one of their noncommercial vehicles; and
- (2) Requires the Office of Veterans' Services to report the number of qualifying veterans to the Legislature and Department of Taxation.

Your Committee received written comments in support of this measure from the Department of Defense, the Office of Veterans' Services of the Department of Defense, the Hawaii Chapter of the Military Officers Association of America, and two individuals. The Department of Customer Services of the City and County of Honolulu and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that disabled veterans of the United States armed services should be recognized and compensated for the sacrifices they have made in defense of this nation. Your Committee believes that the limited fee exemption this measure will provide for qualified veterans who are disabled due to military-related injuries is justified.

Your Committee has amended this measure by:

- (1) Clarifying that veterans discharged for bad conduct shall not be eligible for the exemption;
- (2) Specifying that the exemption shall extend to a qualified vehicle owned, leased, or operated by a qualified veteran; and
- (3) Changing the effective date to January 1, 2050, 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. 1667, 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. 1667, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3387 Ways and Means on H.B. No. 1654**

The purpose and intent of this measure is to improve the expenditure of legislative appropriations to the University of Hawaii for repair and maintenance of its campus facilities.

Specifically, this measure establishes the campus facility board to:

- (1) Manage the legislative appropriations for repair and maintenance of the University of Hawaii campuses; and
- (2) Report expenditures of repair and maintenance appropriations to the Legislature along with remaining projects requiring repair and maintenance funding.

Your Committee received written comments in opposition to this measure from the University of Hawaii.

Your Committee finds that the University of Hawaii system has a backlog of deferred repair and maintenance exceeding \$480,000,000. Establishment of a campus facility board to evaluate and identify amounts appropriated by the Legislature for repair

and maintenance and to determine how to allocate those appropriations will help the University of Hawaii effectively address the backlog of necessary repairs on its campuses.

Your Committee has amended this measure by:

- (1) Specifying that the chairperson of the University of Hawaii Board of Regents Standing Committee on Budget and Finance and the chairperson of the University of Hawaii Board of Regents Standing Committee on Planning and Facilities shall be members of the campus facility board;
- (2) Specifying that the chairperson of the campus facility board shall be selected by and from among its members; 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. 1654, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1654, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 3388 Ways and Means on H.B. No. 1669**

The purpose and intent of this measure is to fund additional positions in the Family Court of the First Circuit.

Specifically, this measure would fund one permanent full-time equivalent Family Court Judge position, two permanent full-time equivalent Circuit Court Clerk II positions, and one permanent full-time equivalent Court Bailiff position.

Your Committee received written comments in support of this measure from the Judiciary - Family Court of the First Circuit; Hawaii State Bar Association Family Law Section; Mitsuyama and Rebman; Kleintop, Luria and Medeiros; and two individuals. The Department of the Prosecuting Attorney of the City and County of Honolulu submitted written comments on the measure.

Your Committee finds that the Family Court of the First Circuit adjudicates more cases and motions than any other court in the State and often experiences lengthy delays for post-decree divorce motion hearings and other matters. However, this growing caseload has not been matched with sufficient resources. Your Committee believes that providing funding for an additional judge and related staff positions will help reduce the delays in family court litigation and assist in resolving cases and disputes.

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 H.B. No. 1669, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1669, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3389 Ways and Means on H.B. No. 1635**

The purpose of this measure is to provide salary parity for the Administrative and Deputy Administrative Director of the Courts with their executive branch counterparts.

Specifically, the measure requires that:

- (1) The salary of the Administrative Director of the Courts be equal to the salary of the Administrative Director of the State; and
- (2) The salary of the Deputy Administrative Director of the Courts be equal to ninety-five per cent of the salary of the Administrative Director of the Courts.

Your Committee received written comments in support of this measure from the Judiciary.

Your Committee finds that in 2006, voters passed a constitutional amendment that provided for a mechanism to set the salaries of justices and judges, legislators, the governor and lieutenant governor, as well as those of the department heads or executive officers and the deputies or assistants of the executive branch. However, the amendment did not provide for a mechanism to establish the Judiciary's Administrative Director and Deputy Administrative Director of the Court's salaries. Your Committee believes that this measure will provide the appropriate mechanism to establish the salary of the Administrative Director and the Deputy Administrative Director of the Courts and conform their salaries to comparable positions within the executive branch.

Your Committee has amended this measure by:

- (1) Changing the relative amount of the Deputy Administrative Director's salary from ninety-five per cent to an unspecified percentage of the Administrative Director of the Court's salary; and
- (2) Changing the effective date to July 1, 2050, 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. 1635, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1635, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahele, Kouchi).



**SCRep. 3390 Ways and Means on H.B. No. 238**

The purpose and intent of this measure is to increase per diem stipends for witnesses in certain criminal cases.

Specifically, the measure:

- (1) Increases per diem payment amounts for out-of-state witnesses in criminal cases, to support and encourage those witnesses to return to Hawaii to participate in state court proceedings; and
- (2) Provides an additional per diem payment to in-state witnesses who travel interisland and are required to stay overnight to participate in state court proceedings.

Your Committee received written comments in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, the Office of the Prosecuting Attorney of the County of Hawaii, and the Crime Victim Compensation Commission. The Department of Budget and Finance submitted written comments on the measure.

Your Committee finds that the Legislature has not increased the per diem payment for out-of-state witnesses since 1989 and that the amount is no longer sufficient to pay for food, lodging, and necessary personal expenses for witnesses who must travel to Hawaii to appear in state court proceedings. This tends to discourage and even prevent out-of-state witnesses, including crime victims, from returning to the State to testify in court proceedings. Your Committee also finds that the per diem amount for witnesses who are required to travel interisland and remain overnight to attend a state court proceeding is likewise insufficient and should be supplemented. Your Committee believes that this measure will encourage and support the testimony of witnesses who travel from out-of-state or interisland to participate in state court proceedings.

Your Committee has amended this measure by:

- (1) Changing the per diem amount for out-of-state witnesses to an unspecified sum to encourage further discussion; 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 H.B. No. 238, 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. 238, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3391 Ways and Means on H.B. No. 1553**

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources for the administration and operational expenses of the Aha Moku Advisory Committee.

In addition, this measure provides funding for community education on the administrative structure regarding the Aha Moku System and on natural and cultural resource management.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources; the Aha Moku Advisory Committee; and the Hawaiian Affairs Caucus of the Democratic Party of Hawaii.

Your Committee finds that the Aha Moku Advisory Committee has made tremendous strides in integrating indigenous resource management practices with modern management practices, as well as bringing sustainability and a new wealth of knowledge to the protection and conservation of the State's natural resources. Your Committee further finds that the Aha Moku Advisory Committee needs additional funding so that it may continue to advise the Chairperson of the Board of Land and Natural Resources on natural resource management and educate the community on the best practices regarding the Aha Moku System.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, 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. 1553, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1553, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3392 (Majority) Ways and Means on H.B. No. 1714**

The purpose and intent of this measure is to establish an Interagency Sea Level Rise Vulnerability and Adaptation Committee within the Department of Land and Natural Resources to develop a sea level rise vulnerability and adaptation report for Hawaii through 2050.

The measure also:

- (1) Requires the Office of Planning to develop, monitor, and evaluate statewide strategic climate adaptation plans and actionable policy recommendations; and
- (2) Appropriates funds to the Office of Planning and Department of Land and Natural Resources, respectively, for the purposes of the measure.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, the State Sustainability Coordinator, the State Office of Planning, Hawaii Green Growth, The Chamber of Commerce of Hawaii, and the Land Use Research Foundation of Hawaii. The Department of Health submitted written comments.

Your Committee finds that climate change poses one of the primary challenges of this century. Your Committee further finds that beach erosion, drought, and rising temperature are already having measurable impacts on Hawaii and are expected to accelerate in the years to come. Your Committee believes that this measure will help address the effects of climate change through 2050 to protect the State's economy, health, environment, and way of life.

Your Committee has amended this measure by:

- (1) Clarifying that the Chairperson of the Board of Land and Natural Resources, or the Chairperson's designee, shall serve as the Chairperson of the Sea Level Rise Vulnerability and Adaptation Committee;
- (2) Providing that the members of the Interagency Sea Level Rise Vulnerability and Adaptation Committee shall serve without pay but shall be reimbursed for their actual and necessary expenses, including travel expenses, incurred in carrying out their duties;
- (3) Combining the appropriations to the Office of Planning in sections 4 and 7 of the measure into one section;
- (4) Clarifying that the appropriation to the Department of Land and Natural Resources in section 6 of the measure is for the Department to assist the Interagency Sea Level Rise Vulnerability and Adaptation Committee in researching and developing the sea level rise vulnerability and adaptation report; and
- (5) Making technical nonsubstantive changes 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 H.B. No. 1714, 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. 1714, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kahele).

**SCRep. 3393 Ways and Means on H.B. No. 1716**

The purpose and intent of this measure is to appropriate moneys to the Department of Land and Natural Resources for the immediate protection of Hawaii's environment and economy and the health and lifestyle of its people, through the support of invasive species prevention, control, outreach, research, and planning.

Your Committee received written comments in support of this measure from the Office of Planning; the Department of Agriculture; the Department of Land and Natural Resources; the County of Maui; the Department of Transportation; the Hawaii Farm Bureau Federation; Hawaii Green Growth; Kauai Watershed Alliance; the Nature Conservancy; and two individuals.

Your Committee finds that the invasion of Hawaii by insects, disease-bearing organisms, snakes, weeds, and other pests is the single greatest threat to Hawaii's economy and natural environment and to the health and lifestyle of Hawaii's people. Your Committee further finds that the irreparable and costly damage caused by invasive species has significantly impacted agricultural producers and has threatened the innovation of sustainable practices. Your Committee believes that this measure will help protect and preserve Hawaii's fragile ecosystem and unique environment from invasive species.

As affirmed by the record of votes of the members 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. 1716, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3394 Ways and Means on H.B. No. 2490**

The purpose and intent of this measure is to improve and enhance Hawaii's juvenile justice system by concentrating secure bed space on the most serious juvenile offenders and by increasing interagency collaboration.

Specifically, the measure:

- (1) Requires the Director of the Office of Youth Services or the Director's designee to develop a comprehensive reentry plan for each person committed to the Hawaii Youth Correctional Facility;
- (2) Specifies supervision requirements for children placed on probation pursuant to section 571-48(1)A, Hawaii Revised Statutes, and requires that probation officers create a case plan in consultation with the child and the child's parent, legal guardian, or custodian;
- (3) Requires the Judiciary to adopt guidelines and procedures for the development and application of graduated sanctions, including presumptive sanctions for common violations and incentives for compliance with probation requirements;
- (4) Permits a child to earn discharge credits to reduce the length of the child's probation term;
- (5) Establishes a statewide juvenile justice interdepartmental cluster to provide coordinated services to certain children under the jurisdiction of the Family Court;
- (6) Specifies factors that the Director of the Office of Youth Services must consider when granting parole;

- (7) Requires the Director of the Office of Youth Services to submit an annual report to the Board of Family Court Judges and the Hawaii Juvenile Justice State Advisory Council that includes the number of persons committed to the Director of the Office of Youth Services' custody;
- (8) Requires the Board of Family Court Judges to provide guidelines and procedures necessary to implement a single statewide standardized tool to conduct risk and needs assessments and validation of the tool every five years;
- (9) Requires probation officers to complete annual training on juvenile justice or probation supervision best practices;
- (10) Requires intake officers to compile monthly reports indicating the number of cases diverted and the types of alleged offense precipitating the referral of the child to court;
- (11) Requires the Directors of the Family Courts of each circuit to establish a framework that includes criteria that probation officers shall use to guide their discretion in providing informal adjustment;
- (12) Requires the Family Court to conduct a risk and needs assessment prior to disposition, and authorizes the Family Court to suspend delinquency proceedings to obtain substance abuse or mental health treatment;
- (13) Requires a probation officer to refer the child to the Department of Health for a determination of eligibility for services if a risk and needs assessment indicates substance abuse or mental health need; and
- (14) Establishes a Juvenile Justice Oversight Advisory Council to oversee implementation of the juvenile justice reforms in this measure and issue reports necessary to evaluate its effectiveness.

Your Committee received written comments in support of this measure from the Office of the Governor; the Department of the Attorney General; the Department of Health; the Department of Human Services; the Judiciary; the Office of Youth Services; Office of the Mayor, County of Hawaii; the Office of the Prosecuting Attorney, County of Hawaii; Hawaii Substance Abuse Coalition; Hawaii Friends of Justice; Hale Kipa, Inc.; Hawaii Youth Services Network; Community Alliance on Prisons; Olomana, Inc.; and the Salvation Army, Family Intervention Services. Written comments in opposition were received from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that critical services necessary to reduce delinquency, including mental health and substance abuse treatment, are not readily accessible to Hawaii's youth. This may permit inconsistent probation practices across the State's judicial circuits and may lead to disparate treatment of youth. Therefore, your Committee finds that there needs to be systematic coordination between the appropriate service providers and government entities to ensure that evidence-based practices and effective mental health and substance abuse treatments are being tailored to each child's specific needs. Your Committee believes that this measure will provide the effective collaboration between the Family Court, law enforcement personnel, service providers, and departmental staff necessary for Hawaii's juvenile justice system to produce positive outcomes. Furthermore, this measure will ensure individualized treatment for children to reduce recidivism and allow for a safe and effective transition back into the community.

Your Committee has amended this measure by:

- (1) Adding an appropriation for an unspecified sum to the Office of Youth Services to carry out the purposes of this measure, and allowing an unspecified sum to lapse to the credit of the general fund in the event that the Hawaii Youth Correctional Facility experiences any cost savings from the updated services and programs implemented by this measure;
- (2) Defining the term "presumptive sanctions" to mean sanctions imposed by a probation officer from a range of sanctions for the most common probation violations, as determined by the Judiciary;
- (3) Deleting substantive language from the definition of "home visit" that required the probation officer to visit the child's place of residence within forty-five days of the child's placement on probation, and instead, making this one of the requirements for probation supervision once a child is placed on probation pursuant to section 571-48(1)(A);
- (4) Establishing the requirement that each Director of the Family Court submit an annual report to the Board of Family Court Judges and the Hawaii Juvenile Justice State Advisory Council as a new section in Chapter 571, Hawaii Revised Statutes;
- (5) Adding a member from the Department of Human Services to the Juvenile Justice Oversight Advisory Council; and
- (6) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee notes that the Office of Youth Services will provide funding to the Judiciary for purchase of service contracts for juvenile 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. 2490, 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. 2490, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3395 Ways and Means on H.B. No. 1776**

The purpose and intent of this measure is to require children to undergo a physical examination prior to attending seventh grade beginning with the 2015-2016 school year.

In addition, this measure appropriates funds to the Department of Education for any necessary costs and expenses incurred for requiring children to complete a physical examination prior to attending seventh grade.

Your Committee received written comments in support of this measure from the Department of Education, the Department of Health, Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, American Academy of Pediatrics, Hale Kipa Inc., and three individuals.

Your Committee finds that rising obesity rates and other health issues have prompted many initiatives to ensure that children are being provided with healthy food choices and receiving the appropriate amount of physical exercise. Your Committee further finds that preventive measures, such as a physical examination, can provide early detection of health-related factors that may be detrimental to a child's physical or emotional development. Your Committee believes that this measure reflects the State's commitment to ensuring the health and success of Hawaii students and recognizes the Department of Education's vital role in the health and well-being of its students while providing the essential service of educating Hawaii's youth.

As affirmed by the record of votes of the members 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. 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, 1 (Dela Cruz).

**SCRep. 3396 Ways and Means on H.B. No. 1676**

The purpose and intent of this measure is to appropriate funds to, and authorize, the Executive Office on Early Learning to enter into agreements with the Department of Education and public charter schools to use available classrooms for public preschool.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning, the Department of Human Services, the Early Learning Advisory Board, The Chamber of Commerce Hawaii, Hui for Excellence in Education, Good Beginnings Alliance, the Hawaii Association for the Education of Young Children, the Hawaii Association of Independent Schools, PHOCUSED, Kamehameha Schools, the Hawaii Primary Care Association, the Hawaii State Teachers Association, and four individuals.

Your Committee finds that this measure is necessary to provide services to late-born children who cannot attend kindergarten in the 2014-2015 school year as a result of the change in the kindergarten entry age that is mandated under Act 178, Session Laws of Hawaii 2012.

Your Committee notes that House Bill No. 1700, H.D. 1, S.D. 1, the supplemental appropriations bill, appropriates \$4,470,208 for an early learning pilot program in public schools. That appropriation, along with appropriations of \$1,250,000 for a family child interaction learning program and \$3,000,000 for a preschool open doors program, are intended to serve 2,740 late-born children.

As affirmed by the record of votes of the members 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, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 3397 Ways and Means on H.B. No. 1754**

The purpose and intent of this measure is to establish a medicaid buy-in program for workers with disabilities that will encourage individuals with disabilities to work while concomitantly retaining their access to medicaid.

This measure also requires the Department of Health to operate a pilot medicaid buy-in program until the Department of Humans Services implements the permanent program by July 1, 2017.

Your Committee received written comments in support of this measure from the Department of Health, the State Council on Developmental Disabilities, Community Alliance for Mental Health, Healthcare Association of Hawaii, Hawaii Primary Care Association, and one individual. The Department of Human Services submitted written comments.

Your Committee finds that Hawaii is one of only five states that has not implemented a medicaid buy-in program. Many disabled individuals have a disincentive to find employment or increased employment because doing so will cause them to lose various medicaid benefits and supports. Your Committee believes that a medicaid buy-in program will remove the disincentive to work by providing individuals with disabilities the opportunity to increase their income while maintaining health care benefits.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation for the University of Hawaii Center on Disabilities Studies for outreach and training programs be made for the medicaid buy-in pilot program for workers with disabilities;
- (2) Changing the appropriation in section 6 to an unspecified amount to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purposes of style, 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. 1754, 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. 1754, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 3398 (Majority) Ways and Means on H.B. No. 1675**

The purpose and intent of this measure is to address instructional hours of public schools.

Specifically, this measure:

- (1) Extends the requirement for all public secondary schools, excluding charter and multi-track schools, to implement a school year that includes nine hundred ninety student instructional hours for the 2014-2016 school years, to apply the requirement to all school years beginning with the 2014-2015 school year;
- (2) Repeals the requirement for the public schools to implement a school year of one hundred eighty days that includes one thousand eighty student instruction hours for elementary and secondary school grades for the 2016-2018 school years;
- (3) Repeals the requirement for the Department of Education to submit a plan, prior to the convening of the 2015 Legislature, to implement a school year of one hundred ninety days that includes one thousand one hundred forty student instructional hours beginning with the 2018-2019 school year; and
- (4) Requires the Board of Education, in consultation with the exclusive representative of the appropriate collective bargaining units, to define "student instructional hours."

Your Committee received written comments in support of this measure from the Department of Education. Written comments in opposition to this measure were received from the Hawaii State Teachers Association, the Hui for Excellence in Education, and three individuals.

Your Committee finds that the Department of Education will have difficulty meeting the graduated instructional hour and day requirements established by section 302A-251, Hawaii Revised Statutes. This measure maintains the instructional hour requirements at nine hundred fifteen hours for public elementary schools and nine hundred ninety hours for public secondary schools, excluding charter and multi-track schools. Your Committee further finds that authorizing the Board of Education to redefine "student instructional hours" in consultation with the exclusive representatives of the appropriate bargaining units will provide clarification of the definition while addressing high-quality learning opportunities.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 1675, 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. 1675, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Dela Cruz, English, Kahele, Keith-Agaran, Slom). Noes, 1 (Thielen). Excused, 2 (Kouchi, Ruderman).

**SCRep. 3399 Ways and Means on H.B. No. 2178**

The purpose and intent of this measure is to establish a program to provide grants to qualified feed developers within the Livestock Revitalization Program.

Your Committee received written comments in support of this measure from the Department of Agriculture, the Hawaii Farm Bureau Federation, and the Ulupono Initiative.

Your Committee finds that the high cost of livestock feed imported from other states presents a major challenge for Hawaii's livestock industry. Your Committee believes that providing grants to feed developers will encourage the local production of feed, which will bolster the agricultural and livestock industries and strengthen the economy.

As affirmed by the record of votes of the members 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. 2178, 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, 1 (Dela Cruz).

**SCRep. 3400 Ways and Means on H.B. No. 2264**

The purpose and intent of this measure is to authorize the Employees' Retirement System to dispose of real property acquired through foreclosure, enforcement of security, or satisfaction of debt in the same manner as other investments in real property acquired through other means.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that the provisions requiring the disposition of certain real property investments within five years of acquisition were enacted when the Employees' Retirement System was prohibited from directly investing in real estate. Your Committee believes that because the Employees' Retirement System is now authorized to directly invest in real estate, the distinction regarding how the real property was acquired is no longer relevant. Repealing the restrictions on how long the Employees' Retirement System may hold certain real estate investments will eliminate an unnecessary interference with the prudent management of the investment portfolio.

As affirmed by the record of votes of the members 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. 2264, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Kouchi).

**SCRep. 3401 (Majority) Ways and Means on H.B. No. 2413**

The purpose and intent of this measure is to include public-private partnerships under Hawaii's prevailing wage law for public construction work, by amending the definition of "governmental contracting agency".

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, the Hawaii Operating Engineers Industry Stabilization Fund, the Hawaii Construction Alliance, Laborers Union Local 368, the Hawaii Regional Council of Carpenters, and the Hawaii Iron Workers Stabilization Fund.

Your Committee finds that existing law does not specifically address whether public-private construction projects should be subject to the State's prevailing wage law for public works projects because the existing definition of "governmental contracting agency" under chapter 104, Hawaii Revised Statutes, does not specifically include public-private partnerships. Your Committee believes that if government resources are used in a public-private partnership, the prevailing wage law for public works projects should apply.

As affirmed by the record of votes of the members 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. 2413, 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 (Slom). Excused, 1 (Kouchi).

**SCRep. 3402 Ways and Means on H.B. No. 2543**

The purpose and intent of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist BioTork Hawaii LLC in the production of a facility to convert agricultural crops and by-products to biofuels and high-protein feed.

Your Committee received written comments in support of this measure from the Department of Agriculture, the Agribusiness Development Corporation, and the Hawaii Farm Bureau Federation. The Department of Budget and Finance submitted written comments on this measure.

Your Committee finds that supporting the construction of a facility to convert crops, crop residue, and agricultural waste into biofuels, high-protein feed, and other valuable products will enhance the agricultural industry, increase energy initiatives, and promote sustainability.

As affirmed by the record of votes of the members 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. 2543, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3403 Ways and Means on H.B. No. 1745**

The purpose and intent of this measure is to make various amendments to the public charter schools law, including among other things, authorizing the State Public Charter School Commission to assess fees on non-state entities and individuals to offset its operating costs.

Your Committee received written comments in support of this measure from the State Public Charter School Commission and the Hawaii Public Charter Schools Network. Written comments in opposition to this measure were received from one individual.

Your Committee finds that this measure is necessary to further strengthen the public charter schools in the State so that they may continue to provide quality education for their students. Your Committee believes that the provisions in this measure will improve charter schools' governance and financial management.

Your Committee has amended this measure by:

- (1) Clarifying the composition of charter school governing boards; and
- (2) Correcting certain terms and cross-references.

As affirmed by the record of votes of the members 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. 1745, 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. 1745, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3404 Ways and Means on H.B. No. 2597**

The purpose and intent of this measure is to improve the quality of education in Hawaii public schools.

More specifically, this measure:

- (1) Authorizes, under the teacher national board certification incentive program, an additional category under which a teacher may receive an annual bonus if the teacher maintains current national board certification and teaches at a school in a focus, priority, or Superintendent's zone; and
- (2) Deletes obsolete references in the statute governing the teacher national board certification incentive program.

Your Committee received written comments in support of this measure from the Department of Education, 1,978 "Conventional People," and one individual.

Your Committee finds that the teacher national board certification incentive program recognizes and supports public school teachers who have achieved certification by the National Board for Professional Teaching Standards. This measure aligns the incentive program with the Department of Education's current method of evaluating school performance and will help to ensure that students in all public schools are taught by highly motivated, highly qualified teachers who are fairly compensated.

Your Committee has amended this measure by changing the effective date to July 1, 2050, 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. 2597, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2597, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3405 Ways and Means on H.B. No. 1893**

The purpose and intent of this measure is to support disaster response services in the State.

More specifically, this measure:

- (1) Establishes the disaster response special fund, the assets of which shall be transferred on an annual basis to certain organizations engaged in disaster response; and
- (2) Authorizes taxpayers to designate, on their tax return, a portion of their tax refund for deposit into the disaster response special fund.

Your Committee received written comments in support of this measure from the American Red Cross, Hawaii State Chapter. Written comments in opposition were received from the Department of Taxation and one individual. The Department of Budget and Finance and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that this measure, as currently drafted, places the disaster response special fund in chapter 127, Hawaii Revised Statutes, entitled "Disaster Relief." Your Committee notes, however, that the provisions of chapter 127, Hawaii Revised Statutes, have been indefinitely suspended and are currently superseded by chapter 128, Hawaii Revised Statutes, entitled "Civil Defense and Emergency Act." Accordingly, your Committee finds that it would be more appropriate to place the special fund in chapter 128, Hawaii Revised Statutes. Your Committee believes that the funding mechanism provided in this measure for organizations engaged in disaster response will lead to improvements in disaster response services and help mitigate the loss of life and property when disasters or civil emergencies occur.

Your Committee has amended this measure by:

- (1) Placing the disaster response special fund in chapter 128, Hawaii Revised Statutes, rather than chapter 127, Hawaii Revised Statutes;
- (2) Clarifying that the disaster response special fund shall be administered by the Adjutant General;
- (3) Clarifying the organizations to which the assets of the special fund shall be transferred;
- (4) Changing the effective date to January 1, 2050, to facilitate further discussion on the measure; and
- (5) 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 H.B. No. 1893, 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. 1893, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3406 Ways and Means on H.B. No. 154**

The purpose and intent of this measure is to authorize the Director of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa to establish a two-year industrial hemp remediation and biofuel crop pilot program.

Prior to the hearing on this measure, your Committee made available a proposed S.D. 2 for review and comment. The proposed S.D. 2 amends this measure by:

- (1) Adding a reference in section 1 to section 7606 of the federal Agricultural Act of 2014 authorizing institutions of higher education and state departments of agriculture to conduct industrial hemp research;
- (2) Changing all references to the "director" of the College of Tropical Agriculture and Human Resources at the University of Hawaii Manoa to the "dean";
- (3) Changing all references to "pilot program" to "research program";
- (4) Removing the requirement that the program be issued a federally controlled substance registration by the United States Department of Justice, Drug Enforcement Administration;
- (5) Changing the date to submit the final report to the Legislature from no later than twenty days prior to the convening of the 2015 Regular Session to no later than twenty days prior to the convening of the 2016 Regular Session;

- (6) Removing the requirement that the final report contain information on the best method for disposal of the different contaminants extracted from the soil by industrial hemp;
- (7) Removing the provision authorizing the adoption of rules to implement and set standards for participation in the program;
- (8) Removing the appropriation to the University of Hawaii for the program;
- (9) Changing the effective date from July 1, 2112, to July 1, 2014, and the repeal date from July 1, 2015, to July 1, 2016; and
- (10) Making technical nonsubstantive amendments for the purposes of style, clarity, and consistency.

Your Committee received written comments in support of H.B. No. 154, S.D. 1, from the Department of Business, Economic Development, and Tourism; the Department of Public Safety; College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa; Life of the Land; 1978 Conventional People; and twenty-four individuals. The Department of Agriculture submitted comments on this measure.

Your Committee received written comments in support of the proposed S.D. 2 from the University of Hawaii at Manoa; the Department of Business, Economic Development, and Tourism; the Department of Agriculture; and twelve individuals.

Your Committee finds that permitting the University of Hawaii to participate in industrial hemp research, as authorized by the recently enacted federal Agricultural Act of 2014, will enable researchers to develop and refine our knowledge of the benefits of industrial hemp, including its use for removing contaminants from soil through phytoremediation. In addition, the program offers the opportunity to research the viability of industrial hemp as an environmentally friendly and efficient biofuel feedstock.

Your Committee has amended this measure by adopting the proposed S.D. 2 and amending it further by:

- (1) Adding language that requires the research project to meet the requirements established by section 7606(b)(1)(B)(i) and (ii) of the federal Agricultural Act of 2014;
- (2) Defining the term “industrial hemp”;
- (3) Adding an appropriation of an unspecified amount, to be expended by the College of Tropical Agriculture and Human Resources for the industrial hemp remediation and biofuel crop research program;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for the purposes of style, 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. 154, 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. 154, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

#### **SCRep. 3407 Ways and Means on H.B. No. 2147**

The purpose and intent of this measure is to provide exemptions from the public concession bidding process for airport and Stadium Authority contracts for wireless and communication services and for advertising.

Your Committee received written comments in support of this measure from the Department of Transportation, the Stadium Authority, and the Airport Concessionaires Committee.

Your Committee finds that the rapid development and continuing evolution of communications and advertising technologies have altered the way in which communication occurs, advertising is conducted, and sales are performed. Personal hardware connectivity and compatibility requirements continue to evolve as technologies improve. Thus, government contracting for certain concessions must include flexible procedures to ensure efficiency and the most beneficial economic results.

Your Committee has amended this measure by:

- (1) Changing “wireless and communication services” references to “electronic communication services,” which includes wireless services;
- (2) Clarifying that the Stadium Authority’s exemption from the bidding process for concessions pertains to the operation of concessions providing electronic communication services and concessions consisting solely of advertising;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the 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 H.B. No. 2147, 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. 2147, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Kahele, Thielen, Slom). Noes, none. Excused, 1 (Kouchi).

#### **SCRep. 3408 Ways and Means on H.B. No. 1932**

The purpose and intent of this measure is to enhance the biosecurity of the State.

Specifically, this measure:



- (1) Requires the Department of Agriculture to establish or participate in private-public partnerships to enhance the biosecurity program and quarantine inspection process; and
- (2) Appropriates funds to the Department of Agriculture to enable the department to complete the implementation of the biosecurity program.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, the Department of Transportation, Land Use Research Foundation of Hawaii, Oahu Invasive Species Committee, Hawaii Macadamia Nut Association, Hawaii Farm Bureau Federation, Island Princess Macadamia Nut Company, Able Freight Services Inc., Royal Hawaiian Services, Hawaii Cattlemen's Council, Inc., and seven individuals. The Department of Agriculture submitted written comments on the measure.

Your Committee finds that invasive species are one of the greatest threats to Hawaii's economy, natural environment, and the health and lifestyle of Hawaii's people. The irreparable and costly damage to Hawaii's environment and ecosystem caused by invasive plants and animals has resulted in the destruction of valuable crops and native forests. Your Committee believes that this measure will augment the Department of Agriculture's implementation of its biosecurity program by providing the necessary flexibility and funding to fully execute a comprehensive strategy to detect and eradicate invasive species.

Your Committee has amended this measure by:

- (1) Authorizing the Department of Agriculture to implement the biosecurity program with funding from other sources;
- (2) Specifying that only Department of Agriculture employees may perform actual inspections;
- (3) Specifying that the appropriation shall be used for:
  - (A) An electronic manifest system for maritime cargo inspections;
  - (B) Import replacement of high risk crops and the development of systems management to enhance pest management practices;
  - (C) Research on new generation pesticides and development of integrated pest management methods;
  - (D) Development of quarantine treatment options;
  - (E) Development and implementation of diagnostics to quickly and reliably identify new and evolving pests and diseases;
  - (F) Improvement of productivity of inspection capacity; and
  - (G) Conducting public and agriculture industry education activities; and
- (4) Making technical nonsubstantive changes 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 H.B. No. 1932, 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. 1932, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, Kouchi, Tokuda, Slom).

**SCRep. 3409 (Majority Ways and Means on H.B. No. 2053)**

The purpose and intent of this measure is to establish a Fall Prevention and Early Detection Coordinator within the Emergency Medical Services and Injury Prevention System Branch of the Department of Health to coordinate the provision of public and private fall prevention and early detection services for the elderly.

The measure also appropriates an unspecified amount from the trauma system special fund to fund the Fall Prevention and Early Detection Coordinator position.

Your Committee received written comments in support of this measure from the Department of Health, the Executive Office on Aging, the Hawaii Alliance for Retired Americans, Comforting Hands Hawaii, the Hawaii Fall Prevention Consortium, the Hawaii Primary Care Association, American Medical Response, and two individuals.

Your Committee finds that falls are the leading cause of fatal injuries and injury-related hospitalizations among the elderly in Hawaii. Your Committee recognizes that fall prevention is critical for the safety and well-being of the State's elderly residents. Accordingly, your Committee believes that this measure will promote a statewide approach to prevent injuries and detect fall occurrences among the elderly.

As affirmed by the record of votes of the members 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. 2053, 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, 1 (Slom). Excused, none.

**SCRep. 3410 Ways and Means on H.B. No. 2094**

The purpose and intent of this measure is to extend by five years the repeal date of Act 21, Special Session Laws of Hawaii 2009, which requires home care agencies to be licensed by the Department of Health.

The measure also:

- (1) Appropriates an unspecified amount to establish a permanent full-time position in the Department of Health to facilitate the licensing of home care agencies; and
- (2) Beginning with fiscal year 2015-2016, requires the Department of Health to request funding for the newly established position as part of its annual budget request to the Director of Finance.

Your Committee received written comments in support of this measure from the Department of Health, Healthcare Association of Hawaii, and The Chamber of Commerce of Hawaii.

Your Committee finds that home care is a quickly expanding component of elderly care, due in large part to the fact that a majority of the elderly population prefers to age in place. Your Committee further finds that home care enables the aging population to remain in their homes, by providing assistance with daily living activities and by providing other related in-home care. Your Committee believes that this measure will help to ensure that Hawaii's elderly population receives the highest quality care from home care providers.

As affirmed by the record of votes of the members 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. 2094, 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, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 3411 (Majority) Ways and Means on H.B. No. 1671**

The purpose and intent of this measure is to change the amount of transient accommodations tax revenues allocated to the counties from \$93,000,000 to an unspecified percentage of revenues collected.

Your Committee received written comments in support of this measure from the City and County of Honolulu Office of the Mayor, the County of Hawaii Office of the Mayor, three County of Maui Council Members, two County of Hawaii Council Members, four County of Kauai Council Members, the Maui County Council, the Hawaii Council of Mayors, the Hawaii County Council, the Kauai County Council Chair, the Kauai County Council Vice Chair, two City and County of Honolulu City Council Members, the Paia Youth and Cultural Center, ILWU Local 142, the Hawaii Association of Vacation Rental Managers, and five individuals. Written comments in opposition were received from the Department of Budget and Finance. The Department of Taxation, Hawaii Lodging and Tourism Association, Maui Hotel and Lodging Association, and Tax Foundation of Hawaii submitted written comments.

Your Committee finds that this measure may increase the allocation of revenues to the counties that may be used to provide for public safety, parks, road maintenance, and visitor-related services.

As affirmed by the record of votes of the members 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. 1671, 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 (Slom). Excused, 1 (Chun Oakland).

**SCRep. 3412 Ways and Means on H.B. No. 1715**

The purpose and intent of this measure is to educate Hawaii's kupuna regarding risky investments and protect them from fraud.

Specifically, this measure appropriates funds to the Department of Commerce and Consumer Affairs for educational programs targeted at kupuna and related to investments and other financial matters.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that kupuna are often targeted by unscrupulous purveyors of risky investments and fraudulent schemes. Your Committee therefore believes there is a growing need for education programs within the Department of Commerce and Consumer Affairs to educate and inform kupuna about wise investment choices and protections against financial fraud.

As affirmed by the record of votes of the members 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. 1715, 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, 1 (Dela Cruz).

**SCRep. 3413 (Majority) Ways and Means on H.B. No. 2312**

The purpose and intent of this measure is to provide resources to protect the environment and to promote renewable energy technology and its use in the State.

Specifically, the measure:

- (1) Reestablishes the energy systems development special fund, which was repealed on July 30, 2013;
- (2) Increases the amount of the environmental response, energy, and food security tax, also known as the barrel tax, to be deposited into the environmental response revolving fund; and
- (3) Extends the repeal of the various allocations of the environmental response, energy, and food security tax from June 30, 2015, to June 30, 2030.

Your Committee received written comments in support of this measure from the Public Utilities Commission, the Department of Budget and Finance, the Department of Business, Economic Development, and Tourism, Hawaii Natural Energy Institute of the University of Hawaii at Manoa, Hawaii Green Growth, Renewable Energy Action Coalition of Hawaii, The Nature Conservancy,

Hawaii Energy Policy Forum, and Big Island Invasive Species Committee. The Department of Health and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that reestablishing the energy systems development special fund will provide a mechanism to fund renewable energy priorities of the State, thus helping the State accomplish its goal of increased energy self-sufficiency and diversified renewable energy production.

Your Committee also finds that a portion of revenues collected from the environmental response, energy, and food security tax, levied on each barrel of crude oil imported into the State, is deposited into the environmental response revolving fund, which supports oil spill responses and environmental remediation. Your Committee further finds that the fund balance is now dangerously low due to reduced consumption of crude oil, while the demand for hazard evaluations and responses has increased in recent years due to events such as the Honolulu Harbor molasses spill.

Accordingly, your Committee believes that increasing the amount of the environmental response, energy, and food security tax to be deposited into the environmental response revolving fund is necessary to protect the State and its residents and visitors from oil pollution and similar hazards.

As affirmed by the record of votes of the members 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. 2312, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Chun Oakland).

**SCRep. 3414 (Majority) Ways and Means on H.B. No. 1900**

The purpose and intent of this measure is to amend the transient accommodations tax with regard to destination clubs.

More specifically, this measure:

- (1) Establishes that destination clubs shall be taxed at the same rate as resort time share vacation units; and
- (2) Requires destination club membership plan managers to register with the Department of Taxation and maintain certain records.

Your Committee received written comments in support of this measure from Exclusive Resorts. Written comments in opposition were received from the Department of Taxation. The Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that destination clubs own various properties in multiple states or countries. In exchange for membership dues, these clubs provide their members with the right to use or occupy the destination club's facilities in various locations. However, destination club membership does not confer an ownership interest in the destination club's facilities. Your Committee further finds that destination clubs are presently subject to the transient accommodations tax, which is codified as chapter 237D, Hawaii Revised Statutes. Your Committee believes that this measure provides clarification on how the transient accommodations tax is to be imposed on destination clubs.

As affirmed by the record of votes of the members 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. 1900, 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 (Slom). Excused, 1 (Chun Oakland).

**SCRep. 3415 (Majority) Ways and Means on H.B. No. 1902**

The purpose and intent of this measure is to establish a Hunting Advisory Commission to advise the Board of Land and Natural Resources on proposals to enhance and maintain the quantity and quality of public hunting areas.

The measure also:

- (1) Establishes a hunting pilot program for the implementation of a game management plan or hunting plan on the island of Hawaii; and
- (2) Appropriates \$110,000 for the administrative expenses of the Hunting Advisory Commission, subject to matching funds provided by the County of Hawaii.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, the County of Hawaii Office of the Mayor, the Hawaii Rifle Association, the Hawaii Sportsmen Alliance, JK Taxidermy, the Hawaii Hunting Association, the Hawaii County Game Management Advisory Commission, the National Wild Turkey Federation, the National Rifle Association, and forty-eight individuals. Written comments in opposition were received from the Kauai Watershed Alliance, the Big Island Invasive Species Committee, and seven individuals. The Office of Hawaiian Affairs, The Nature Conservancy, and five individuals submitted written comments.

Your Committee finds that the enhancement and maintenance of sustainable public hunting opportunities are of critical importance to the State and its people. Your Committee believes that this measure will facilitate a coordinated resource management effort to preserve, protect, and promote public hunting.

Your Committee has amended this measure by:

- (1) Eliminating the tourism industry representative from membership on the Hunting Advisory Commission, thereby reducing the composition of the Commission from twelve to eleven members;

- (2) Specifying that of the two Commission members from the Department of Land and Natural Resources, one member shall have experience in access or acquisition;
- (3) Specifying that of the five Commission members from the hunting community, not less than one member shall possess experience in game bird hunting and not less than one member shall possess experience in game mammal hunting;
- (4) Providing that any action taken by the Commission shall be by a simple majority of its members and that seven members shall constitute a quorum;
- (5) Providing that the Commission shall be subject to sections 26-34 (selection and terms of government board and commission members), 26-35 (administrative supervision of boards and commissions), 26-35.5 (immunity or indemnification for civil liability), and 26-36 (acting members of boards), Hawaii Revised Statutes;
- (6) Authorizing the Commission to adopt rules to carry out its duties;
- (7) Providing that the Commission shall advise the Department of Land and Natural Resources on the implementation of the hunting pilot program;
- (8) Changing the appropriation from \$110,000 to an unspecified amount;
- (9) Changing the effective date from July 1, 2014, to July 1, 2050, to facilitate further discussion on the measure; and
- (10) Making technical nonsubstantive changes 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 H.B. No. 1902, 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. 1902, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Thielen). Noes, 1 (Ruderman). Excused, 1 (Tokuda).

**SCRep. 3416 Ways and Means on H.B. No. 1866**

The purpose and intent of this measure is to enhance oversight of the Hawaii Community Development Authority.

Specifically, the measure:

- (1) Prohibits the Hawaii Community Development Authority from assigning its powers and duties to any person or agency regarding variances, exemptions, or modifications relating to community development plans or rules;
- (2) Amends requirements related to public hearings, notice, and the vesting of rights for development permits;
- (3) Establishes procedures for intervention in development permit applications, including contested case hearings;
- (4) Requires applicants with proposed projects valued at \$250,000 or more to mail notice to owners and lessees within a three hundred foot radius of the proposed project;
- (5) Provides that reserved housing conveyed by the Hawaii Community Development Authority shall not be subject to legislative approval;
- (6) Authorizes the Hawaii Community Development Authority to assign the fee simple interest in Kakaako reserved housing to which it holds title;
- (7) Authorizes the Hawaii Community Development Authority to permit cash payments in lieu of providing reserved housing;
- (8) Repeals the authority of the Governor to set aside public lands within a development district to the Hawaii Community Development Authority;
- (9) Establishes a maximum aggregate cap of \$3,641,818 per fiscal year on receipts and revenues that may be deposited into the Hawaii community development revolving fund, with excess amounts transferred to the general fund;
- (10) Establishes a height limit of four hundred eighteen feet in Kakaako; and
- (11) Establishes legislative oversight of special facility revenue bond issuances by the Hawaii Community Development Authority.

Your Committee received written comments in support of this measure from Sky Ohana, U. Okada and Company Ltd., Malama Makaha, two individuals from Kakaako United, the Kakaako Makai Community Advisory Council, Friends of Kewalos, and thirty-eight individuals. Written comments in opposition were received from the Hawaii Community Development Authority, The Chamber of Commerce of Hawaii, the Koolaupoko Hawaiian Civic Club, the Land Use Research Foundation of Hawaii, the Building Industry Association of Hawaii, and one individual. The Department of the Attorney General, Alexander and Baldwin, the Howard Hughes Corporation, the Hawaii Construction Alliance, Hawaii's Thousand Friends, and two individuals submitted written comments.

Your Committee finds that the Legislature established the Hawaii Community Development Authority in 1976 as a public entity to facilitate long-range planning and implementation of improved community development. Your Committee further finds that concerns have been expressed regarding the apparent lack of public and legislative oversight of the Hawaii Community Development Authority. Your Committee believes that this measure will provide greater accountability and transparency in the Hawaii Community Development Authority's approval process for proposed projects.

Your Committee further finds that the Hawaii Community Development Authority should consider a proposed development project's impact on maintaining resources relevant to the State's economy, including public health issues such as sewers, roads, and water.

Your Committee also notes that this measure amends section 206E-7, Hawaii Revised Statutes, by providing that development rights under a master plan permit and master plan development agreement issued and approved by the Hawaii Community Development Authority are vested under the community development district rules in effect at the time of initial approval. Your Committee finds that this provision is not intended to result in the extension of development rights beyond the length of time specified in the agreement issued and approved by the Hawaii Community Development Authority.

Your Committee has amended this measure by:

- (1) Deleting the provisions of section 1 regarding public hearings, intervention, and contested case hearings, and instead, inserting related provisions into section 6;
- (2) Inserting language that amends the composition of and appointment of members to the Hawaii Community Development Authority and reconstitutes the Authority on March 1, 2015;
- (3) Requiring the Hawaii Community Development Authority, prior to approving a proposed project, to find that the proposed project is reasonable and consistent with the development rules and policies of the relevant development district, and providing criteria for the Authority's consideration;
- (4) Deleting the provisions of sections 8 and 9, which establish an annual cap for deposits of revenues into the Hawaii community development revolving fund;
- (5) Specifying that the four hundred eighteen feet height limitation applies to buildings and structures in the Kakaako Mauka area;
- (6) Changing the effective date from July 1, 2050, to July 1, 2014; and
- (7) Making technical nonsubstantive changes 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 H.B. No. 1866, 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. 1866, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 3417 Tourism on Gov. Msg. Nos. 601, 694, 695, 696, and 697**

Recommending that the Senate advise and consent to the nominations of the following:

**BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY**

G.M. No. 601 L. RICHARD FRIED, JR., for a term to expire 6-30-2018;

G.M. No. 694 ROBERT HERKES, for a term to expire 6-30-2018;

G.M. No. 695 RANDOLPH PERREIRA, for a term to expire 6-30-2018;

G.M. No. 696 DONNA DOMINGO, for a term to expire 6-30-2018; and

G.M. No. 697 DENISE YAMAGUCHI, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds L. Richard Fried, Jr., Robert Herkes, Randolph Perreira, Donna Domingo, and Denise Yamaguchi to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Tourism Authority.

**L. RICHARD FRIED, JR.**

Your Committee received testimony in support of the nomination of L. Richard Fried, Jr., from three individuals.

Mr. Fried received Juris Doctor and Bachelor of Science degrees from the University of Arizona.

Mr. Fried is a founding member of the law firm of Cronin, Fried, Sekiya, Kekina, and Fairbanks. Mr. Fried has a national reputation in the fields of medical malpractice and aviation law. His honors and awards include the International Biographical Centre Advisory Council, as well as inclusion in Best Lawyers in America and Who's Who in American Law.

Your Committee finds that Mr. Fried has been an active participant and contributor on the Board of Directors of the Hawaii Tourism Authority during his interim appointment. Your Committee further finds that Mr. Fried's legal background, experience, and dedication qualify him for reappointment to the Board of Directors.

**ROBERT HERKES**

Your Committee received testimony in support of the nomination of Robert Herkes from the Outrigger Enterprises Group, Pacific Marketing Corporation, 1,978 "Conventional People", and seven individuals.

Mr. Herkes attended Cornell University and City College of San Francisco, graduating from the Cornell School of Hotel Administration with honors. He received an Associate of Arts degree in Hotel/Restaurant Management from the City College of San Francisco.

Mr. Herkes has been involved with the hospitality industry and hotel management for over forty years. Prior to his retirement in 2000, Mr. Herkes served as Vice President of Kamehameha Investment Corporation. Mr. Herkes has management experience with several hotels and restaurants, including the Kona Surf, Herks Tavern, and Kauai Inn.

Mr. Herkes' political experience includes serving as a member of the Hawaii State Senate and House of Representatives. Additionally, Mr. Herkes served as Chair of the Hawaii Hotel Association. Your Committee finds that Mr. Herkes is a dedicated, knowledgeable, and experienced individual who will serve Hawaii well by providing direction and support to the Hawaii Tourism Authority.

#### RANDOLPH PERREIRA

Your Committee received testimony in support of the nomination of Randolph Perreira from ILWU Local 142; AFSCME Local 152, AFL-CIO; Hawaii State AFL-CIO; The Mestizo Association; and three individuals.

Mr. Perreira received a Master of Business Administration degree in Personnel Administration from Michigan State University and a Bachelor of Arts degree in Management from the University of Notre Dame.

Mr. Perreira currently serves as the Executive Director of the Hawaii Government Employees Association. Mr. Perreira also serves as the President of Hawaii State AFL-CIO and Trustee of The Queen's Health Systems. Additionally, Mr. Perreira is a member of the Aloha United Way Board of Directors, P-20 Council for the State of Hawaii, American Judicature Society (Hawaii) Board of Directors, Industrial Relations Research Association Board, Hawaii Medical Services Association Board, and Bishop Museum Board of Directors.

Your Committee finds that Mr. Perreira's education, experience, and background qualify him for appointment to the Board of Directors of the Hawaii Tourism Authority.

#### DONNA DOMINGO

Your Committee received testimony in support of the nomination of Donna Domingo from the Hawaii Government Employees Association; AFSCME Local 152, AFL-CIO; ILWU Local 142; Hawaii State AFL-CIO; Ka'anapali Beach Hotel; and one individual.

Ms. Domingo attended Maui Community College. Since 2012, Ms. Domingo has served as the President of ILWU Local 142, a labor union with 18,000 members statewide who work primarily in the tourism industry. Prior to this position, she served as the Vice President of ILWU Local 142. Ms. Domingo also has experience working for the Aston Maui Lu Resort.

Ms. Domingo served as the Commissioner of the Maui Planning Commission from 2008 to 2013. Additionally, Ms. Domingo has served on the boards of the Liquor Adjudication Board in Maui, Pacific Century Fellow Program, and Aloha United Way.

Upon review of the testimony, your Committee finds that Ms. Domingo has an impressive work ethic, strong sense of integrity, and a fresh perspective that will contribute to the Hawaii Tourism Authority.

#### DENISE YAMAGUCHI

Your Committee received testimony in support of the nomination of Denise Yamaguchi from Hawaiian Airlines, Inc.; Young Brothers, Limited; Hawaii Lodging and Tourism Association; The Modern Honolulu; Pacific Guardian Life; Humboldt Bay Energy, LLC; Maui County Farm Bureau; Sunn Media, LLC; and several individuals.

Ms. Yamaguchi received a Master of Business Administration degree in Marketing from George Washington University and a Bachelor of Science degree in Commerce and Finance from Santa Clara University.

Ms. Yamaguchi currently serves as the Executive Director of the Hawaii Ag and Culinary Alliance. Over the past four years, Ms. Yamaguchi worked with the Hawaii Tourism Authority and major visitor industry partners on Oahu, Maui, and Hawaii to create and develop the State's premier epicurean event, the Hawaii Food and Wine Festival. Prior to this position, Ms. Yamaguchi served as the Executive Director of the Hawaii Agricultural Foundation.

Throughout her career, Ms. Yamaguchi has gained experience working as a tourism executive with several visitor industry-related companies. Ms. Yamaguchi enjoys giving back to the community by volunteering with Aloha Festivals, Fiftieth Anniversary of Statehood Commission, Girl Scouts Council of Hawaii, Hawaii Women's Political Caucus, and Japanese Cultural Center of Hawaii. Your Committee finds that Ms. Yamaguchi will be a valuable asset and contributor to the Hawaii Tourism Authority.

As affirmed by the records of votes of the members of your Committee on Tourism 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, none.

#### **SCRep. 3418 Public Safety, Intergovernmental and Military Affairs on H.C.R. No. 35**

The purpose and intent of this measure is to express the legislature's support of the Troop Talent Act of 2013.

Your Committee received testimony in support of this measure from the National Association for Uniformed Services, Hawaii Chapter; The Chamber of Commerce of Hawaii; The Mestizo Association; and one individual.

Your Committee finds that the transition from military to civilian life is difficult for countless veterans, leading to high unemployment rates in the veteran population. Despite many veterans leaving the military with valuable skills and training, several obstacles, including injuries, lack of civilian work experience, and license and certification issues, hinder a smooth transition from military service to civilian life. The Troop Talent Act of 2013 assists veterans in adjusting to civilian life by reestablishing the Professional Certification and Licensure Advisory Committee and ensuring that veterans and members of the United States Armed Forces are provided with proper education and training to better assist them in obtaining civilian certifications and licenses.

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 Public Safety, Intergovernmental and Military Affairs 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 that it be referred to the Committee on Commerce and Consumer Protection, 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, 1 (Green).

**SCRep. 3419 Human Services on Gov. Msg. No. 701**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY

G.M. No. 701 GILBERT DE MOTTA, for a term to expire 6-30-2015

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Gilbert De Motta to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Public Housing Authority.

Your Committee received testimony in support of the nomination of Gilbert De Motta from the Department of Human Services, Department of Labor and Industrial Relations, Hawaii Public Housing Authority, Board of Directors of the Hawaii Public Housing Authority, Hawaii Regional Council of Carpenters, International Longshore and Warehouse Union Local 142 Hawaii, and two individuals. Your Committee received comments on this nomination from one individual.

Mr. De Motta is a certified tour bus driver and journeyman welder, working in those fields on the Island of Hawaii for over forty-five years. He also has an extensive history of involvement and leadership with housing development on the Island of Hawaii. Mr. De Motta was president of the Board of the Hawaii Island Community Development Corporation for fifteen years, served as the president for the Board of Jack Hall Housing Projects, and currently is serving his forty-eighth year as a member of the International Longshore and Warehouse Union Local 142 for the Island of Hawaii. He is an active community member, well regarded throughout the community, and has been recognized for his service through various acknowledgments and awards.

Your Committee finds that Mr. De Motta's experience, compassion, good judgment, and commitment to locating housing for low and moderate income individuals qualify him for appointment to the Board of Directors of the Hawaii Public Housing Authority. He has volunteered on projects such as the Kulaimanu development at Pepeekeo which produced four hundred homes, developed an organization to assist employees of the Hamakua Sugar Company secure their plantation homes following the closing of the plantation, and become the housing specialist for the International Longshore and Warehouse Union Local 142. By serving on the Board, Mr. De Motta hopes to identify more homes and land for low to moderate income individuals, improve existing low-income housing areas, and complete the Lanakila housing renovation project.

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, 2 (Taniguchi, Slom).

**SCRep. 3420 Human Services on Gov. Msg. Nos. 641 and 642**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON FATHERHOOD

G.M. No. 641 S. BRUCE BERGER, for a term to expire 6-30-2017; and

G.M. No. 642 CARL MAKINO, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds S. Bruce Berger and Carl Makino to possess the requisite qualifications to be nominated to the Commission on Fatherhood.

S. BRUCE BERGER

Your Committee received testimony in support of the nomination of S. Bruce Berger from the Department of Human Services. Your Committee received comments on the nomination of S. Bruce Berger from one individual.

Mr. Berger is a licensed mental health counselor and is certified as both a rehabilitation and substance abuse counselor. He is currently a counseling psychologist with the United States Army's Alcohol and Substance Abuse Clinic at Schofield Barracks and has over twenty years of counseling experience in Hawaii. Through his work with the United States Army's Alcohol and Substance Abuse Clinic, Mr. Berger addresses issues of alcoholism and substance abuse by providing an array of services to soldiers who are in need of services and supports, particularly soldiers who are fathers that are in need of therapy or counseling.

Your Committee finds that Mr. Berger's professional experience as well as his personal experience as a father who is familiar with the family court system make him a valuable member of the Commission on Fatherhood. Mr. Berger has worked to promote a father-friendly family court in Hawaii and bring awareness to the need for more transparency within the judicial system. He believes it is important to take an active role on the Commission, and he strives to involve community members and their talents and skills for the benefit of fathers and families. Mr. Berger indicated in his personal statement that he hopes to continue contributing to the Commission through grassroots activities that promote fatherhood and by consulting, collaborating, and helping launch a fatherhood needs assessment.

CARL MAKINO

Your Committee received testimony in support of the nomination of Carl Makino from the Department of Human Services and State Commission on Fatherhood.

Mr. Makino has an extensive education background, with degrees in psychology, education, and educational administration. Most recently Mr. Makino was a case worker with the Fatherhood Services of The Salvation Army's Family Treatment Services. In this role, he was responsible for providing services to fathers including classes for new fathers, educational and vocational counseling, domestic violence prevention training, job search assistance, relapse prevention, and assistance with entering substance abuse treatment programs. Mr. Makino has also worked as The Salvation Army's prison liaison and counseled men incarcerated in Oahu's corrections facilities.

Your Committee finds that Mr. Makino's education and counseling background, experience working with fathers, and previous position with a state board support his re-appointment to the Commission on Fatherhood. He brings over thirty years of dedicated public service and experience, along with demonstrated leadership and integrity, to the Commission. Mr. Makino indicated in his personal statement that during his current term serving on the Commission he has helped the Commission broaden its vision and formulate a strategic plan. Going forward, he hopes to see the initiatives he has started come to fruition.

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, 2 (Taniguchi, Slom).

**SCRep. 3421 Agriculture on Gov. Msg. Nos. 619 and 620**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 619 KEKOA KALUHIWA, for a term to expire 6-30-2018; and

G.M. No. 620 JOAN NAMKOONG, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Kekoa Kaluhiwa and Joan Namkoong to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Board of Directors of the Agribusiness Development Corporation.

KEKOA KALUHIWA

Your Committee received testimony in support of this nominee from the Agribusiness Development Corporation; Hawaii Farm Bureau Federation; Hamakua County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Ku'iwalu; Young Brothers, Ltd.; Ko'olau Foundation; Ko'olaupoko Hawaiian Civic Club; First Wind; and twelve individuals.

Mr. Kaluhiwa earned a Bachelor's degree in Political Science from the University of Washington and a Master's degree in Public Administration with an emphasis in Environmental Planning and Management Theory from the University of Hawaii at Manoa. He currently serves as the Principal for Kuano'o Communications LLC, providing clients with government and public relations strategies and services, including legislative lobbying, bill tracking, and media monitoring. He previously served as the Director of External Affairs for First Wind Energy where he served as a government, community, and media relations representative for the largest renewable energy provider in Hawaii. He has also worked for the Office of United States Senator Daniel K. Akaka as an Executive Assistant; as an Intern at the Land Assets Division of Kamehameha Schools; and as a Fellow for the United States Department of Housing and Urban Development.

Mr. Kaluhiwa is an active community member and, among other activities, serves on the Board of the Kualoa-He'eia Ecumenical Youth Project and is a Volunteer Instructor for the Hunter Education Program under the Department of Land and Natural Resources. Given Mr. Kaluhiwa's valuable leadership skills and wealth of business experience, he will be a great asset to the Board of Directors of the Agribusiness Development Corporation.

JOAN NAMKOONG

Your Committee received testimony in support of this nominee from the Agribusiness Development Corporation; Kauai Chamber of Commerce; Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; Kukaiu Ranch, LLC; Matsuda-Fukuyama Farms, Inc.; 4 Ag Hawaii; Armstrong Produce; Sugarland Growers Inc.; and twenty-one individuals.

Ms. Namkoong, an avid supporter of local agriculture, is currently a freelance food writer with monthly columns for the Honolulu Star-Advertiser. She also serves on the board of the Hawaii Culinary Education Foundation and the Hawaii Cattle Producers Coop. In 2003, Ms. Namkoong cofounded the widely popular Kapiolani Community College Farmers' Market, which sparked the emergence of farmers' markets throughout the State. As food editor for the Honolulu Advertiser from 1994 to 2001, she reported on emerging food trends and the development of diversified agriculture, as well as many stories that supported local food crops and farmers. She is also an author of several books devoted to local foods and chefs in Hawaii. From 1976 to 1992, she owned and ran the Compleat Kitchen, the first retailer of kitchenware in Hawaii with stores in Kahala Mall and Ala Moana Center. Ms. Namkoong's valuable business experience, community advocacy, and agricultural knowledge will be an asset to the Board of Directors of the Agribusiness Development Corporation, as a Hawaii County representative.

As affirmed by the records of votes of the members of your Committee on Agriculture 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 (Dela Cruz, English).

**SCRep. 3422 Agriculture on Gov. Msg. Nos. 689 and 690**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF AGRICULTURE

G.M. No. 689 JERRY ORNELLAS, for a term to expire 6-30-2018; and

G.M. No. 690 MICHELLE GALIMBA, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Jerry Ornellas and Michelle Galimba to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Board of Agriculture.

JERRY ORNELLAS

Your Committee received testimony in support of this nominee from the Department of Agriculture; Kauai County Office of the Mayor; Hawaii Farm Bureau Federation; Kauai Chamber of Commerce; 4 Ag Hawaii; Hawaii Cattlemen's Council, Inc.; Hamakua County Farm Bureau; Kauai County Farm Bureau; Maui County Farm Bureau; Kukaiau Ranch, LLC; Hawaii Floriculture and Nursery Association; Grove Farm Company, Inc.; Hawaii Floriculture & Nursery Association; Sugarland Growers Inc.; Ulupono Initiative; Young Brothers; The Nature Conservancy; DuPont Pioneer; and thirty-one individuals.

Mr. Ornellas is a farmer with more than forty years of experience in the agricultural sector. He is the owner of Agland Management LLC, in Kauai, which produces tropical fruit for local distribution. From 1990 to 2011, he worked as an Agricultural Research Technician for the University of Hawaii College of Tropical Agriculture and Human Resources and from 1992-2002, he was a partner in Kainahola Banana Farm in Kauai. From 1972 to 1992, he managed his family agricultural land, which included ranching and diversified agriculture. Finally, from 1966 to 1971, he managed a one-hundred head dairy farm at Ornellas Dairy.

Mr. Ornellas currently serves as a member of the Board of Agriculture, and also serves on the Kauai Agricultural Advisory Committee and the Kauai Economic Development Board. He is also the President and founding member of the East Kauai Water User's Cooperative; the President of the Kauai County Farm Bureau; and on the board of the Hawaii Farm Bureau Federation. Based on Mr. Ornellas' extensive local agricultural experience, community involvement, and previous contributions to the Board of Agriculture, Mr. Ornellas is ideally suited for reappointment to the Board of Agriculture, as a Kauai County representative.

MICHELLE GALIMBA

Your Committee received testimony in support of this nominee from the Department of Agriculture; Hawaii Farm Bureau Federation; Hamakua County Farm Bureau; Maui County Farm Bureau; Hawaii Beef Producers, LLC; 4 Ag Hawaii; Sugarland Growers Inc.; Matsuda-Fukuyama Farms, Inc.; Hawaii Cattlemen's Council, Inc.; Young Brothers; Ulupono Initiative; The Nature Conservancy; and twenty-two individuals.

Ms. Galimba earned her Bachelor's degree in Asian Studies from the University of Oregon and her Master's degree and Doctor of Philosophy in Comparative Literature from the University of California at Berkeley. She is currently a rancher, co-manager, and share-holder for Kuahiwi Ranch/Kuahiwi Contractors, Inc., where she does everything from grant-writing to plumbing to specialized livestock handling. She is the Chairperson of the Hawaii Beef Industry Council and the former President of the Hawaii Cattlemen's Association, Inc. She also serves on the Ka'u Agricultural Water Steering Committee, Hawaii County 4-H Livestock Committee, Ka'u Community Development Plan Steering Committee, and as a Director of the Ka'u Farm Bureau. Ms. Galimba's extensive knowledge of water cycles, pasture and herd management, environmental and regulatory issues, and marketing and distribution, combined with her excellent communication skills makes Ms. Galimba an ideal candidate for reappointment to the Board of Agriculture.

As affirmed by the records of votes of the members of your Committee on Agriculture 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 (Dela Cruz, English).

**SCRep. 3423 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. No. 621**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS

G.M. No. 621 HENK ROGERS, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Henk Rogers to possess the requisite qualifications to be nominated to the Board of Directors of the Pacific International Space Center for Exploration Systems (PISCES).

Your Committee received testimony in support of the nomination of Henk Rogers from the Department of Business, Economic Development and Tourism, and eight individuals.

Henk Rogers currently serves on the Board of Directors of PISCES and has proven to be a hardworking and contributing member. Mr. Rogers is the President and Chief Executive Officer of Blue Planet Software, an intellectual property management firm that owns and manages computer games. Mr. Rogers received a Computer Science degree from the University of Hawaii at Manoa and is perhaps best known for bringing the video game Tetris to the United States and world market. Additionally, Mr. Rogers is an advisor

to the University of Hawaii College of Engineering; serves as the Chairman of Blue Planet Foundation; and is the Executive Committee Chairman of SEE-IT, a science and technology showcase that encourages students to pursue a science, technology, engineering, and mathematics (STEM) career.

Your Committee finds that Mr. Rogers' experience as a current member of the Board of Directors of PISCES, extensive background in running technology companies, and commitment to advancing space exploration will continue to provide a valuable perspective to the Board of Directors of PISCES and inspire engineers, politicians, and members of the public to participate in the PISCES program.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental 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, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 3424 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. No. 622**

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 622 RACHEL JAMES, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Rachel James to possess the requisite qualifications to be nominated to the Advisory Board on Veterans' Services.

Your Committee received testimony in support of the nomination of Rachel James from the State Office of Veterans Services, Armed Services YMCA of Honolulu, and ten individuals.

Rachel James, a United States Navy veteran, works as a constituent services liaison for United States Congresswoman Tulsi Gabbard and as a housing and intake specialist for Catholic Charities Hawaii Supportive Services for Veteran Families Program. She works directly with homeless and at-risk veterans to secure permanent housing; collaborates with community and veteran service organizations and various government agencies; and coordinates community outreach opportunities for Congresswoman Gabbard. Ms. James is also a member of the Hawaii Women Military Veterans Task Force, a subcommittee of the Advisory Board on Veterans' Services, and the Kuleana Microlending Board. She received a Master's degree in Global Leadership and Sustainable Development-Community Development from Hawaii Pacific University; a Bachelor's degree in Business-Accounting from the University of Phoenix; and an Associate's degree in Psychology from Cochise College.

Ms. James is described as a consummate professional with a strong work ethic. Her work with veteran and community service providers provides Ms. James with perspective in addressing the concerns of the State's veterans. Your Committee finds that Ms. James' diverse background of service, commitment to veterans, and genuine passion will benefit and add to the overall expertise of the Advisory Board on Veterans' Services.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental 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, 1 (Green).

**SCRep. 3425 (Joint) Technology and the Arts and Public Safety, Intergovernmental and Military Affairs and Commerce and Consumer Protection on H.C.R. No. 32**

The purpose and intent of this measure is to urge the United States Congress, Hawaii financial institutions, and Hawaii businesses to adopt legislation, policies, and procedures to implement the use of identity theft-resistant credit cards.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii State Federal Credit Union, and Honolulu Police Department. Your Committees received comments on this measure from the Hawaii Bankers Association, Hawaii Financial Services Association, and Hawaii Credit Union League.

Your Committees find that identity theft is expected to surpass traditional theft as the leading form of property crime. Identity theft, including credit card data theft, is a serious crime that can devastate an individual's finances, credit history, and reputation. To protect consumers and reduce fraud, identity theft-resistant credit cards have been developed. Identity theft-resistant credit cards have small, digital, internal components that allow a consumer to enter a personal unlocking code that generates a unique credit card number for every transaction, making the credit card more difficult to use by thieves. Identity theft-resistant credit cards are used throughout Europe and Asia, and at least one major bank in the State is already testing identity theft-resistant credit cards.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts, Public Safety, Intergovernmental and Military Affairs, and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 32, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Ihara, Tokuda).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Galuteria, Green).

Commerce and Consumer Protection  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Nishihara, Taniguchi).

**SCRep. 3426 Technology and the Arts on H.C.R. No. 167**

The purpose and intent of this measure is to establish a task force to plan and coordinate the celebration of the fiftieth anniversary of the State Foundation on Culture and the Arts.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and the State Foundation on Culture and the Arts.

Your Committee finds that the State Foundation on Culture and the Arts (Foundation) was established by the Legislature in 1965, in large part through the vision and effort of Hawaii leaders, including architect and State Planning Coordinator Alfred Preis, the Foundation's Founding Chairperson Masaru "Pundy" Yokouchi, State Senator Nadao Yoshinaga, and Governor John Burns. The mission of the Foundation is to promote, perpetuate, preserve, and encourage culture and the arts, history, and the humanities as central to the quality of life of the people of Hawaii. The establishment of a task force to plan and coordinate the Foundation's fiftieth anniversary celebration recognizes the Foundation's contributions to the arts and cultural understanding in Hawaii.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Tokuda).

**SCRep. 3427 Transportation and International Affairs on S.R. No. 8**

The purpose and intent of this measure is to request the reestablishment of state-province relations of friendship between the State of Hawaii and the Province of Ilocos Norte of the Republic of the Philippines.

Your Committee did not receive any testimony on this measure.

Prior to holding a hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which urges the United States to support the Republic of China's (Taiwan) participation in the Trans-Pacific Partnership.

Your Committee received testimony in support of the proposed S.D. 1 from the Taipei Economic and Cultural Office in Honolulu and the Hawaii Chinese Association. Your Committee received testimony in opposition to the proposed S.D. 1 from six individuals. Your Committee received comments on the proposed S.D. 1 from one individual. Your Committee believes, after review of the written testimony in opposition to the proposed S.D. 1, that the opposition misinterpreted the proposed S.D. 1 to instead support trade between Taiwan and mainland China, which is not the case.

Your Committee finds that President Obama's foreign policy strategy, "Rebalancing to Asia", represents a significant shift in American foreign policy from a Middle Eastern/European focus to an East/South Asian one. The effect of "Rebalancing to Asia", among other things, is that Asia-Pacific countries must integrate into regional economic organizations. Taiwan is a full member of the World Trade Organization and the Asia Pacific Economic Cooperation. As an industrialized nation, Taiwan aspires to play a more active role in the Asia-Pacific region and to provide more contributions to the international economic community.

If Taiwan joins the Trans-Pacific Partnership (TPP), it will be the sixth largest economy in the TPP. Taiwan is ready and qualified to join TPP as a member to provide more contributions to the Asia-Pacific region. Taiwan and the United States have long enjoyed a cordial friendship based on shared common interests in promoting peace, stability, and prosperity in the Asia-Pacific region. Taiwan would share the fruits of mutual free trade as a member of the TPP, and enhance and strengthen the economic and business ties between the people of Taiwan and the United States.

Your Committee has amended this measure by adopting the proposed S.D. 1.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs 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, 8. Noes, none. Excused, 1 (Kahele).

**SCRep. 3428 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on H.C.R. No. 242**

The purpose and intent of this measure is to urge the Mayor and Council of the County of Maui to take necessary steps to adopt and accept jurisdiction for Nahiku Bridge in the Hana district of the County of Maui.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that the safety of residents of the Hana district of the County of Maui may be at risk because of the condition of Nahiku Bridge. The ownership of Nahiku Bridge is in dispute. The Department of Land and Natural Resources defers to the Department of Transportation, which claims that Nahiku Bridge is the responsibility of the County of Maui. The County of Maui asserts that Nahiku Bridge is part of the old Hana Highway, which the county claims is owned by the State. The lack of established jurisdictional responsibility has resulted in a corresponding lack of maintenance of Nahiku Bridge.

Your Committees believe that the matter of jurisdictional responsibility for Nahiku Bridge must be resolved to protect the safety and well-being of residents of and visitors to the Hana district.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 242, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Kahele).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

**SCRep. 3429 Health on Gov. Msg. Nos. 653 and 654**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH SYSTEMS CORPORATION

G.M. No. 653 ANDREW GARRETT, for a term to expire 6-30-2017; and

G.M. No. 654 BRANDON STARR, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Andrew Garrett and Brandon Starr to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Health Systems Corporation.

ANDREW GARRETT

Your Committee received testimony in support of the nomination of Andrew Garrett from the Governor; Department of Health; Hawaii Primary Care Association; Hawaii Health Information Exchange; Hawaii Medical Service Association; Kaiser Permanente; Hawaii Pacific Health; Healthcare Association of Hawaii; Hawaii Electric Industries, Inc.; The Queen's Health Systems; Hawaii Health Systems Corporation; and four individuals.

Mr. Garrett received a Master of Public Administration degree and Bachelor of Arts degree in Political Science from the University of Hawaii at Manoa.

In his current position as Vice President of the Hawaii Institute for Public Affairs, Mr. Garrett provides strategic guidance and manages internal and external communications with over a hundred healthcare industry stakeholders. Mr. Garrett has also worked for Communication Pacific, Inc. and State Representative Kenneth T. Hiraki.

Upon review of the testimony, your Committee finds that Mr. Garrett has an impressive work ethic, strong sense of integrity, and a fresh perspective that contributes to developing sound healthcare policy decisions. Your Committee further finds that Mr. Garrett has developed a broad understanding of healthcare issues in Hawaii and opportunities for transformation that will provide an important perspective to the Board of Directors of the Hawaii Health Systems Corporation.

BRANDON STARR

Your Committee received testimony in support of the nomination of Brandon Starr from the Hawaii Health Systems Corporation and three individuals.

Mr. Starr received an Associates degree in Legal Studies from National Paralegal College. He is in the process of obtaining a Bachelor of Science degree in Legal Studies from National Paralegal College.

Mr. Starr currently serves as Co-owner and Director of Operations for Maui Martial Arts, LLC. He also serves as Paralegal and Office Manager for the Law Offices of Ryther L. Barbin. Additionally, Mr. Starr volunteers as a tutor for underprivileged youth.

Your Committee finds that Mr. Starr is highly motivated and has taken substantial time to research issues facing the Hawaii Health Systems Corporation. Your Committee further finds that Mr. Starr is a talented, engaged, and committed individual who will serve as an asset to the Board of Directors of the Hawaii Health Systems Corporation.

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, 1 (Slom).

**SCRep. 3430 Health on Gov. Msg. Nos. 657, 658, 659, 660, 661, and 662**

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 657 LYNETTE SCHAEFER, for a term to expire 6-30-2016;

G.M. No. 658 DIAN GRUBER, for a term to expire 6-30-2018;

G.M. No. 659 CHARLES GRIEP, for a term to expire 6-30-2014;

G.M. No. 660 CHARLES GRIEP, for a term to expire 6-30-2018;

G.M. No. 661 CODY BONILLA, for a term to expire 6-30-2015; and

G.M. No. 662 RONALD KURODA, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Lynette Schaefer, Dian Gruber, Charles Griep, Cody Bonilla, and Ronald Kuroda to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Emergency Medical Services Advisory Committee.

LYNETTE SCHAEFER

Your Committee received testimony in support of Lynette Schaefer from the Department of Health, American Medical Response, and eight individuals.

Ms. Schaefer received a Master of Divinity degree from the Church Divinity School of the Pacific. She received a Bachelor of Education degree from the University of Hawaii at Manoa.

Ms. Schaefer currently serves as the Maui Police Department Chaplain. Prior to this position, she served as Pastor for Grace Episcopal Church. Ms. Schaefer's community service includes work with Hospice Hawaii Molokai, Molokai Community Health Center, Hale Ho'okupa'a, Hale Laiku Shelter for Victims of Family Violence, and Molokai Humane Society.

Your Committee finds that Ms. Schaefer has served on numerous community boards and has over thirty-five years of experience with emergency medical services personnel. Your Committee further finds that Ms. Schaefer's experience and dedication will be an asset as the consumer representative for the County of Maui.

DIAN GRUBER

Your Committee received testimony in support of Dian Gruber from the Department of Health.

Ms. Gruber currently serves as Manager for Ambulatory Surgery, Recovery Room, and Endoscopy at the Maui Memorial Medical Center. Prior to this position, Ms. Gruber worked as an Emergency Room Staff Nurse at the Munson Medical Center. Additionally, she has worked in various capacities at the Loyola University Medical Center, St. Anne's Hospital, West Suburban Hospital, Providence Hospital, and Memorial Medical Center. Ms. Gruber's community service includes volunteering with Emergency Response, Disaster Relief/Survivors Care Committee, Parent Teacher Association, and Girl Scouts.

Your Committee finds that Ms. Gruber has served on the Emergency Medical Services Advisory Committee as an allied health member representing the County of Maui since July 2012. Your Committee further finds that Ms. Gruber's experience and insights from her nursing career at Maui Memorial Medical Center will continue to be valuable experience to the Emergency Medical Services Advisory Committee.

CHARLES GRIEP

Your Committee received testimony in support of Charles Griep from the Department of Health, American Medical Response, and four individuals.

Captain Griep received an Associate of Science degree in Fire Science from Honolulu Community College. Additionally, he has attended several Non-Commissioned Officer Leadership and Management Courses.

Captain Griep currently serves as Captain and Emergency Medical Technician for the Medical Section of the Honolulu Fire Department Training and Research Bureau. Prior to this position, Captain Griep worked as a Fire Fighter at the Mokulele, Pawaa, Kaimuki, and McCully Fire Stations.

In 2007, Captain Griep received the Medal of Valor from the Honolulu Fire Department. In addition, he has received the honor of being named City and County of Honolulu Employee of the Year and Honolulu Fire Department Fire Fighter of the Year. Your Committee finds that Captain Griep's knowledge and experience in fire and emergency medical services will be valuable assets to the Emergency Medical Services Advisory Committee.

CODY BONILLA

Your Committee received testimony in support of Cody Bonilla from the Department of Health, American Medical Response, and two individuals.

Mr. Bonilla received a Bachelor of Science degree in Emergency and Disaster Management from Hill University. He received certification as a Mobile Intensive Care Technician (EMT-Paramedic) from Kapiolani Community College.

Mr. Bonilla currently serves as a Mobile Intensive Care Technician, Team Leader, and Injury Prevention Coordinator for American Medical Response. In this role, Mr. Bonilla provides competent medical attention for the county of Kauai in various situations, including medical emergencies, controlled medical transports, medical standbys, and community events. Additionally, Mr. Bonilla volunteers with youth sports leagues.

Your Committee finds that Mr. Bonilla is active in a number of public service activities. Your Committee further finds that his participation, knowledge, and expertise will be an asset to the Emergency Medical Services Advisory Committee.

RONALD KURODA

Your Committee received testimony in support of Ronald Kuroda from the Department of Health, American Medical Response, and one individual.

Dr. Kuroda received a Doctor of Medicine degree from the John A. Burns School of Medicine, University of Hawaii. Dr. Kuroda received a Bachelor of Arts degree in Speech with a minor in Biology from the University of Hawaii at Manoa.

Dr. Kuroda serves as an Attending Physician of Emergency Medicine at The Queen's Medical Center and Assistant Clinical Professor for the Department of Surgery at the John A. Burns School of Medicine. Prior to these positions, Dr. Kuroda served as an Intensive Care Unit Physician and On-Call Resuscitation Team Leader at Lucerne Hospital. Dr. Kuroda is the recipient of the Clinical Faculty Teaching Award in Emergency Medicine and Society of Academic Emergency Medicine Award from the John A. Burns School of Medicine.

As the Associate Medical Director at Kapiolani Community College Department of Emergency Medical Services, Dr. Kuroda is actively involved in the education and training of Emergency Medical Services students. Your Committee finds that Dr. Kuroda will bring valuable experience and perspectives to the Emergency Medical Services Advisory Committee.

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, 1 (Slom).

**SCRep. 3431 Health on Gov. Msg. No. 663**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, KAUAI SUBAREA

G.M. No. 663 ORIANNA SKOMOROCH, for a term to expire 6-30-2018

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Orianna Skomoroch to possess the requisite qualifications to be nominated to the Health Planning Council, Kauai Subarea.

Your Committee received testimony in support of Orianna Skomoroch from the Department of Health.

Ms. Skomoroch received a Master of Arts degree in Sociology from DePaul University, Bachelor of Arts degree from Loyola University, and Associate of Arts degree from Kendall College.

Ms. Skomoroch currently serves as the Interim Chief Executive Officer for Orrie's Executive Management Services, LLC. Prior to this position, Ms. Skomoroch served as the Kauai Regional Chief Executive Officer for Hawaii Health Systems Corporation and Administrator for Kauai Veterans Memorial Hospital and Samuel Mahelona Hospital. In addition, Ms. Skomoroch opened all three of the West Kauai Clinics in Waimea, Hanapepe, and Kalaheo.

Ms. Skomoroch is active in the community, serving on the Hale 'Opio Kauai, Inc. Board of Directors and Kauai Humane Society Board of Directors. Previously, Ms. Skomoroch served on the Kauai Primary Health Committee; American Heart Association Board of Directors; American Hospital Association, Governing Council for Long-Term Care and Rehabilitation Board of Directors; Roselani Place Assisted Living Center Board of Directors; West Kauai Community Development Corporation Board of Directors; and Kauai County Subarea Health Planning Council.

With over thirty-five years of experience in the healthcare industry, your Committee finds that Ms. Skomoroch will be a great asset to the Health Planning Council, Kauai Subarea.

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, 1 (Slom).

**SCRep. 3432 Health on Gov. Msg. Nos. 664, 665, 666, and 667**

Recommending that the Senate advise and consent to the nominations of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 664 JODI ANN NAKAOKA, for a term to expire 6-30-2018;

G.M. No. 665 ANITA TUUA, for a term to expire 6-30-2018;

G.M. No. 666 ANA KAUWE, for a term to expire 6-30-2017; and

G.M. No. 667 DONALD WOOD, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and personal statements submitted by the nominees and finds Jodi Ann Nakaoka, Anita Tuua, Ana Kauwe, and Donald Wood to possess the requisite qualifications to be nominated to the Radiologic Technology Board.

JODI ANN NAKAOKA

Your Committee received testimony in support of Jodi Ann Nakaoka from the Department of Health and The Mestizo Association.

Ms. Nakaoka received a Master of Education degree in Educational Psychology and Bachelor of Arts degree in Biology from the University of Hawaii at Manoa. She received an Associate of Science degree in Radiologic Technology from Kapiolani Community College.

Ms. Nakaoka currently serves as Chief Technologist for Hawaii Diagnostic Radiology Services. Prior to this position, Ms. Nakaoka served as Program Director for the Radiologic Technology Program at Kapiolani Community College. Ms. Nakaoka is certified and licensed by the American Registry of Radiologic Technologists and Hawaii.

Your Committee finds that Ms. Nakaoka has been a productive resource for the Radiologic Technology Board on which she has served since July 2011. Your Committee further finds that her experience, educational background, and teaching credentials are valuable assets to the Radiologic Technology Board.

#### ANITA TUUA

Your Committee received testimony in support of Anita Tuua from the Department of Health and The Mestizo Association.

Ms. Tuua received a Bachelor of Arts degree in Psychology from the University of Hawaii. She received an Associate of Arts degree in Liberal Arts and Associate of Science degree in Radiology Sciences from Kapiolani Community College.

Ms. Tuua currently serves as Diagnostic/Screening Mammography Technologist at Wahiawa General Hospital. Prior to this position, Ms. Tuua served as Diagnostic/Screening Mammography Technologist at Kapiolani Women's Center. Her past experience includes working for LBJ Tropical Medical Center, North Hawaii Community Hospital, Kaiser Medical Center, Kaiser Honolulu Clinic, and Pacific Health Research Institute.

Your Committee finds that Ms. Tuua has been a dedicated and productive member of the Radiologic Technology Board since July 2011. Your Committee further finds that her educational background, vast experience, and wealth of knowledge will continue to be beneficial to the Radiologic Technology Board.

#### ANA KAUWE

Your Committee received testimony in support of Ana Kauwe from the Department of Health and The Mestizo Association.

Ms. Kauwe received a Master of Business Administration degree and Bachelor of Science degree in Business Administration from the University of Phoenix, Hawaii Campus. She received an Associate of Science degree in Radiologic Technology from Kapiolani Community College.

Ms. Kauwe currently serves as Radiologic Technologist/ Mammographer at The Queen's Medical Center, where she performs diagnostic and trauma radiology, portable radiography, digital mammography, and bone densitometry. Her past professional experience includes working for Na Maka O Pu'uwai Aloha and Honolulu Sports Medical Clinic, Inc.

Your Committee finds that Ms. Kauwe's experience in radiography and mammography, as well as her educational background, will make a positive impact on the Radiologic Technology Board.

#### DONALD WOOD

Your Committee received testimony in support of Donald Wood from the Department of Health.

Mr. Wood received a Master of Health Administration from Walsingham University. He received Bachelor of Science and Associate of Science degrees in Radiologic Sciences.

With thirty-four years of experience as a credentialed ARRT Certified Radiologic Technologist, Mr. Wood specializes in the fields of medical imaging, medical technical education, and clinical and healthcare systems management. Currently, Mr. Wood is semi-retired. He was last employed as the Imaging Manager/ Director at Hawaii Medical Center West.

Your Committee finds that Mr. Wood's experience, educational background, and management credentials are valuable assets to the Radiologic Technology Board, and his reappointment will be a definite asset.

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, 1 (Slom).

#### **SCRep. 3433 Health on Gov. Msg. Nos. 655 and 656**

Recommending that the Senate advise and consent to the nominations of the following:

#### BOARD OF HEALTH

G.M. No. 655 HEATHER HAYNES, for a term to expire 6-30-2016; and

G.M. No. 656 OPAL BUCHTHAL, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Heather Haynes and Opal Buchthal to possess the requisite qualifications to be nominated to the Board of Health.

#### HEATHER HAYNES

Your Committee received testimony in support of the nomination of Heather Haynes from the Department of Health.

Dr. Haynes received a Doctor of Medicine degree from Georgetown University School of Medicine. She received a Bachelor of Science degree in Biopsychology from the University of California at Santa Barbara. Dr. Haynes is currently pursuing a Master of Public Health degree at the University of Hawaii at Manoa.

Dr. Haynes currently serves as Medical Director for Hale Makua Health Services and the University of Hawaii's Maui Campus Health Center. She also works for the Women's Health/Breast and Cervical Cancer Control Program of Hui No Ke Ola Pono (Native Hawaiian Health Care System). Dr. Haynes is the recipient of the Wesley Oler Award for Outstanding Resident Physician and the Janet M. Glasgow Memorial Achievement Citation from the American Medical Women's Association.

Your Committee finds that Dr. Haynes has in-depth knowledge of a variety of healthcare settings and Native Hawaiian health. Your Committee further finds that her experience and background will be of great benefit to the Board of Health.

#### OPAL BUCHTHAL

Your Committee received testimony in support of the nomination of Opal Buchthal from the Department of Health.

Dr. Buchthal received a Doctor of Philosophy degree from the University of Hawaii at Manoa, Master of Science in Public Health degree from the University of California, Los Angeles, and a Bachelor of Arts degree from San Francisco State University.

Dr. Buchthal currently serves as Assistant Professor at the University of Hawaii at Manoa, where she teaches program evaluation and qualitative research with the Department of Public Health. Dr. Buchthal has experience as a researcher and program evaluator working in nutrition and physical activity, social marketing, and tobacco use.

Your Committee finds that Dr. Buchthal has a strong interest in helping communities attain food security and improve nutrition through self-help projects. Your Committee further finds that her knowledge, experience, and dedication will be great assets to the Board of Health.

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, 1 (Slom).

#### **SCRep. 3434 Health on Gov. Msg. Nos. 668, 669, 670, 671, 672, and 673**

Recommending that the Senate advise and consent to the nominations of the following:

#### STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

- G.M. No. 668 ALBERT PEREZ, for a term to expire 6-30-2015;
- G.M. No. 669 CAROLINE CADIRAO, for a term to expire 6-30-2018;
- G.M. No. 670 BARBARA IOLI, for a term to expire 6-30-2018;
- G.M. No. 671 MAXINE NAGAMINE, for a term to expire 6-30-2018;
- G.M. No. 672 JOANN YUEN, for a term to expire 6-30-2018; and
- G.M. No. 673 SHAYNE TOKITA, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and personal statements submitted by the nominees and finds Albert Perez, Caroline Cadirao, Barbara Ioli, Maxine Nagamine, Joann Yuen, and Shayne Tokita to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

#### ALBERT PEREZ

Your Committee received testimony in support of Albert Perez from the Department of Human Services; State Council on Developmental Disabilities; and Network Enterprises, Inc.

Mr. Perez currently serves as the Administrator of the Division of Vocational Rehabilitation in the Department of Human Services. He has also served as a member of the State Council on Mental Health. With over twenty years of experience in the field of vocational rehabilitation as a direct services worker, as well as a leader in various roles at the State's Vocational Rehabilitation Services, Mr. Perez has a well-rounded perspective and understanding of the challenges faced by the community.

Your Committee finds that Mr. Perez has initiated collaborative approaches with the Department of Education and Department of Health to increase employment opportunities and outcomes for individuals with developmental disabilities. Your Committee further finds that Mr. Perez's skills, expertise, and knowledge in the area of services needed to prepare for, obtain, and maintain employment for individuals with disabilities will be of great benefit to the State Council on Developmental Disabilities.

#### CAROLINE CADIRAO

Your Committee received testimony in support of Caroline Cadirao from the Executive Office on Aging, State Council on Developmental Disabilities, and The Mestizo Association.

Ms. Cadirao received a Bachelor of Arts degree in Psychology from the University of Hawaii at Manoa.

Ms. Cadirao currently serves as Grants Manager for the Executive Office on Aging in the Department of Health. In this position, Ms. Cadirao is responsible for managing the development and implementation of the systems change through the integration of the Aging and Disability Resource Center. Additionally, Ms. Cadirao assisted in the development and implementation of demonstration projects such as KUPUNA CARE, the Elder Abuse Response Services (Project Reach), and the Healthy Aging Partnership Empowering Elders.



As a representative from the Executive Office on Aging, Ms. Cadirao will assist the State Council on Developmental Disabilities in bringing together aging and disability networks to increase collaboration among agencies. Your Committee finds that Ms. Cadirao's understanding of the issues facing older adults, along with her development of the Aging and Disability Resource Center, make her a knowledgeable candidate for the State Council on Developmental Disabilities.

#### BARBARA IOLI

Your Committee received testimony in support of Barbara Ioli from the State Council on Developmental Disabilities and The Mestizo Association.

Ms. Ioli attended Leeward Community College and received a certificate from Computer Academy.

Ms. Ioli currently serves as the Co-chair for the Education Committee of the State Council on Developmental Disabilities, which helps ensure that students with developmental disabilities have quality education outcomes. Her community service includes volunteering with the Special Education Advisory Council, Special Olympics Hawaii, Leeward Community Children's Council, Hawaii Association of Parents of the Visually Impaired, and Hawaii Down Syndrome Congress.

Ms. Ioli expressed to your Committee that she intends to work toward providing competitive employment opportunities for individuals with developmental disabilities. Your Committee finds that Ms. Ioli's commitment, background, and involvement with the community will continue to assist the State Council on Developmental Disabilities in its efforts to enhance the quality of life for individuals with developmental disabilities.

#### MAXINE NAGAMINE

Your Committee received testimony in support of Maxine Nagamine from the Developmental Disabilities Division, Department of Health; State Council on Developmental Disabilities; and The Mestizo Association.

Ms. Nagamine received a Doctor of Philosophy degree in Educational Administration, Master's degree in Educational Administration, and Bachelor's degree in Secondary Science Education from the University of Hawaii at Manoa.

Currently, Ms. Nagamine serves as State Educational Specialist for the Special Education Section of the Office of Curriculum, Instruction, and Student Support. Ms. Nagamine also has experience as Acting Principal and Vice Principal of Kalani High School.

Your Committee finds that Ms. Nagamine's years of experience in education will enable her to have a positive impact on the lives of individuals with developmental disabilities. Your Committee further finds that Ms. Nagamine's commitment to principles of self-determination and community integration for individuals with disabilities are valued attributes for service on the State Council on Developmental Disabilities.

#### JOANN YUEN

Your Committee received testimony in support of Joann Yuen from the State Council on Developmental Disabilities and five individuals.

Dr. Yuen is a graduate of The National Leadership Institute on Developmental Disabilities of the University of Delaware. She received a Doctor of Education degree in Higher Education Administration and Leadership from the University of Southern California. Dr. Yuen received a Master of Arts degree in Communication from the University of Hawaii at Manoa. She received a Bachelor of Science degree in Journalism from the University of Colorado.

Dr. Yuen currently serves as Associate Specialist and Associate Director of the Center on Disability Studies and College of Education at the University of Hawaii at Manoa. She also serves as Team Facilitator and Ambassador for the ACT Early Initiative.

Your Committee finds that Dr. Yuen has assisted the State Council on Developmental Disabilities in its initiatives to enhance cultural competence and self-determination of individuals with developmental disabilities. Your Committee further finds that Dr. Yuen's knowledge of national trends and best practices in disabilities has helped the State Council on Developmental Disabilities build capacity within the service provider network to improve the service delivery system. Furthermore, Dr. Yuen's research background has provided the State Council on Developmental Disabilities with data and trends in support of pursuing Federal grants and funding.

#### SHAYNE TOKITA

Your Committee received testimony in support of Shayne Tokita from the State Council on Developmental Disabilities; CHART Rehabilitation of Hawaii, Inc.; and two individuals.

Ms. Tokita received Master of Science and Bachelor of Science degrees in Speech Pathology and Audiology from the University of Hawaii at Manoa.

Currently, Ms. Tokita works for Easter Seals Hawaii, where she serves as Clinical Supervisor in the field of speech pathology and audiology, while also providing diagnostic and therapy services. Ms. Tokita previously served on the Hawaii Early Intervention Coordinating Council and Executive Committee, Kauai Developmental Disabilities Committee, and Medically Fragile Task Force.

Your Committee finds that Ms. Tokita's background and commitment to individuals with developmental disabilities will be of great benefit to the State Council on Developmental Disabilities. Your Committee further finds that Ms. Tokita's wealth of knowledge and experience as a speech language pathologist and parent of a special needs child will assist the State Council on Developmental Disabilities to address its State Plan Goal for Children and Youth to improve access to family-centered, community-based integrated interventions and support.

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, 1 (Slom).

**SCRep. 3435 Judiciary and Labor on Gov. Msg. No. 532**

Recommending that the Senate advise and consent to the nomination of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 532 RICHARD LENTES III, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Richard Lentes III to possess the requisite qualifications to be nominated to serve on the Hoisting Machine Operators Advisory Board.

Your Committee received testimony in support of the nomination of Richard Lentes III from the General Contractors Association of Hawaii and six individuals.

Mr. Lentes serves as a statewide Safety Manager for Hawthorne CAT and is responsible for the company's crane policy, health and safety training, and implementation of company guidelines. As a certified crane inspector, his expertise includes the operation, maintenance, and safety of crane and other hoisting machinery. Prior to joining Hawthorne CAT, he served as a Safety Manager and Operations Assistant Manager for the thirty story and nine hundred unit condominium, Kukui Plaza. As Safety Manager, he was responsible for overseeing the overhead crane safety for lifting equipment to the garden deck of the condominium and the safety of all company personnel, including inspections, training, compliance, and investigations.

Mr. Lentes is extremely well-qualified and possesses extensive experience with and a depth of knowledge in crane operation as well as occupational safety and health issues. He is familiar with the issues facing the Hoisting Machine Operators Advisory Board and the State in terms of crane operation safety. Mr. Lentes would contribute valuable insights based on experience and provide specific suggestions on ways to address and resolve various issues, which would make him an extraordinary asset to the Advisory Board.

Given the background, skills, and experience of the nominee, your Committee finds that Richard Lentes III is eminently qualified to serve on the Hoisting Machine Operators Advisory Board.

As affirmed by the record of votes of the members of your Committee on Judiciary and 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, 4. Noes, none. Excused, 3 (Ihara, Solomon, Slom).

**SCRep. 3436 Judiciary and Labor on Gov. Msg. No. 533**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM

G.M. No. 533 JERRY RAUCKHORST, for a term to expire 1-1-2020

Your Committee reviewed the personal history, resume, and statement submitted by the nominee and finds Jerry Rauckhorst to possess the requisite qualifications to be nominated to serve on the Board of Trustees of the Employees' Retirement System.

Your Committee received testimony in support of the nomination of Jerry Rauckhorst from the Department of Budget and Finance, Employees' Retirement System, and seven individuals.

Mr. Rauckhorst received his Bachelor of Arts from The University of Akron and his Master of Science in Social Administration from the Mandel School of Applied Sciences at Case Western Reserve University. Since 1995, he has served as the President and Chief Executive Office for Catholic Charities Hawaii and is responsible for a \$27,000,000 organization that provides a broad range of services statewide to thousands of individuals annually. During his tenure at Catholic Charities Hawaii, Mr. Rauckhorst has developed and conducted a mission and values clarification process that resulted in desired changes in organizational culture; spearheaded the effort in establishing a Housing Development Corporation as a subsidiary corporation to address the agency's need to acquire residential properties for its programs and to develop affordable housing for the people the agency serves; and initiated the restructuring of the organization by integrating its three affiliate agencies into a single organization. He previously served as the Director of Catholic Charities of the Diocese of Pittsburgh, Inc., and held various management positions for the Federation of Catholic Community Services in Cleveland, Ohio.

Mr. Rauckhorst is a licensed social worker in the State of Hawaii and is certified by the Academy of Certified Social Workers National Association of Social Workers. He has extensive community involvement outside of his duties with Catholic Charities Hawaii, including the Hawaii Pops, Armed Services YMCA Board, Board of Trustees of Damien Memorial School, Treasurer of the Executive Committee of Protecting Hawaii's Ohana, Children, Under-served, Elderly, and Disabled (PHOCUSED), Board of Directors of the Hawaii Alliance of Nonprofit Organizations, member of the Hogan Entrepreneurs Advisory Board, Rotary Club of Honolulu, and Association of Weinberg Fellows. His previous professional activities and community involvement included Hawaii Employers Council Board, Entrepreneur Foundation Board, Aloha United Way, and Catholic Charities USA.

Mr. Rauckhorst is nominated for reappointment to the Board of Trustees of the Employees' Retirement System. Testimony in support of the nominee indicate that during his tenure on the Board, he has served on the Investment Committee, Administrative and Legislative Committee, Compensation Review Committee, and Audit Committee of which he serves as the Chairperson. As President and Chief Operating Officer of Catholic Charities Hawaii, he brings to the Board his fiscal management skills to complement the Board's commitment to reducing the unfunded liability of the Employees' Retirement System and ensuring its sustainability. In

addition, Mr. Rauckhorst helps guide the Audit Committee with his experience in organizational development, finance, and strategic planning.

Testimony further indicates that as a Trustee, he is fair and acutely aware of his fiduciary responsibility and although not a member of the Employees' Retirement System, he approaches each of the System's challenges personally with the goal of ensuring that present and future benefit obligations are met. As a community leader representing a significant and notable nonprofit in Hawaii, he has a keen sense of governance and management that is valuable to the Board.

Accordingly, based on the testimony submitted, your Committee finds that Jerry Rauckhorst is exceptionally qualified to continue to serve on the Board of Trustees of the Employees' Retirement System. The nominee's professional experience will serve the Board of Trustees and public well.

As affirmed by the record of votes of the members of your Committee on Judiciary and 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, 4. Noes, none. Excused, 3 (Ihara, Solomon, Slom).

**SCRep. 3437 Judiciary and Labor on Gov. Msg. No. 599**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

G.M. No. 599 KANOE MARGOL, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Kanoe Margol to possess the requisite qualifications to be nominated to the Board of Trustees of the Deferred Compensation Plan.

Testimony in support of the nomination of Kanoe Margol was received from the Department of Budget and Finance, Department of Human Resources Development, Deferred Compensation Plan, Employees' Retirement System, and one individual.

Ms. Margol earned her Bachelor of Arts from the University of Southern California and her Master of Business Administration in Finance and Accounting from the University of California, Berkeley. She currently serves as the Assistant Administrator for the Employees' Retirement System as the full assistant to the System's Executive Director. Her duties include assisting in formulating, planning, developing, implementing, and evaluating the goals, objectives, programs, policies, and procedures of the System; participating in the investment of the System's assets; overseeing the day-to-day operations of the System; directing the implementation of internal control systems and procedures to ensure all assets are safeguarded; reviewing proposed legislation, including cost and implementation implications, in concert with the Executive Director; and overseeing the project managers for the System's comprehensive computer system. Prior to her tenure at the Employees' Retirement System, she served in various corporate executive positions at The Queen's Health Systems. She is a Certified Public Accountant in this State and is a member of the Hawaii Society of Certified Public Accountants.

Testimony in support of the nominee indicates that Ms. Margol demonstrates a thorough understanding and has an extensive background in government operations, and has a high aptitude for investments and matters of finance. Her applied insight to governance and best practices will help the Board of Trustees of the Deferred Compensation Plan to be deliberative in executing the best possible plan designs for the benefit of its participants. Furthermore, she has over twenty years of experience in the areas of accounting and financial planning in addition to her knowledge and experience in the area of cash management and managing investment portfolios, which will all be valuable assets to the Board of Trustees of the Deferred Compensation Plan.

Accordingly, based on the testimony submitted, your Committee finds that Kanoe Margol is exceptionally qualified to serve on the Board of Trustees of the Deferred Compensation Plan. The nominee's professional experience will serve the Board and public well.

As affirmed by the record of votes of the members of your Committee on Judiciary and 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, 4. Noes, none. Excused, 3 (Ihara, Solomon, Slom).

**SCRep. 3438 Water and Land on Gov. Msg. No. 704**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 704 STANLEY ROEHRIG, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Stanley Roehrig to possess the requisite qualifications to be nominated to the Board of Land and Natural Resources.

Your Committee received testimony in support of the nominee from the Department of Land and Natural Resources, Department of Agriculture, Hawaii Government Employees Association, and nine individuals.

Stanley Roehrig is a private attorney with an office in Hilo. He is a graduate of Brown University and the University of Washington School of Law. Mr. Roehrig also earned a Certificate in Hawaiian Language from the University of Hawaii at Hilo. He served as Deputy Attorney General for the State of Hawaii, Deputy County Attorney for the County of Hawaii, and the first Public Defender for

the County of Hawaii. Mr. Roehrig served in the Hawaii State House of Representatives from 1969 to 1976, where he was the Chair of the Judiciary and Agriculture Committees.

Stanley Roehrig possesses a wealth of knowledge about the culture, development, and geography of the County of Hawaii, as well as issues concerning the Island of Hawaii, having been a resident of the island since 1966. Your Committee finds that Mr. Roehrig's knowledge of Hawaii law, experience in the County of Hawaii community, and interest in land and ocean issues in Hawaii will enable him to make significant contributions to the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water and Land 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, 3 (Ihara, Shimabukuro, Taniguchi).

**SCRep. 3439 Education on Gov. Msg. Nos. 528, 529, 650, and 651**

Recommending that the Senate advise and consent to the nominations of the following:

EARLY LEARNING ADVISORY BOARD

G.M. No. 528 LISA KIMURA, for a term to expire 6-30-2014;

G.M. No. 529 LISA KIMURA, for a term to expire 6-30-2016;

G.M. No. 650 ALFRED CASTLE, for a term to expire 6-30-2016; and

G.M. No. 651 M. NAMAKAOKALANI RAWLINS, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Lisa Kimura, Alfred Castle, and M. Namakaokalani Rawlins to possess the requisite qualifications to be nominated to the Early Learning Advisory Board.

LISA KIMURA

Your Committee received testimony in support of the nomination of Lisa Kimura from the Executive Office of Early Learning, Good Beginnings Alliance, Hawaii State Commission on the Status of Women, and two individuals.

Your Committee finds that Ms. Kimura received her Bachelor of Arts degree in Communications and her Master of Arts degree in Business Marketing from Hawaii Pacific University. She is currently working toward a Certificate in Parent Coaching from Seattle Pacific University's Parent Coaching Institute.

Ms. Kimura is currently the Executive Director of Healthy Mothers Healthy Babies Coalition of Hawaii. She previously served as the Director of Marketing for Aston Hotels and Resorts, the Assistant Vice President of Marketing and Communications for Aloha United Way, and Public Relations Account Executive and Account Coordinator for Sharon Serene Creative.

Ms. Kimura has previously volunteered her time with several organizations, including the March of Dimes, Volunteer Legal Services, and Alzheimer's Association. She has also served as a member on various task forces and working groups, such as the Prenatal Smoking Workgroup and Fetal Alcohol Spectrum Disorder Task Force.

Ms. Kimura's professional experience in the business and nonprofit worlds will provide her with the skills necessary to serve on the Early Learning Advisory Board and to help the Board promote early education in the State.

ALFRED CASTLE

Your Committee received testimony in support of the nomination of Alfred Castle from the Executive Office on Early Learning, Hawaii Association of Independent Schools, Good Beginnings Alliance, and four individuals.

Your Committee finds that Mr. Castle received his Bachelor of Arts degree and Master of Arts degree in History from Colorado State University.

Mr. Castle is a distinguished pioneer and member of the philanthropic community. Prior to returning to Hawaii in 1998, Mr. Castle was the Vice President and an adjunct professor of history in the California State University system. He returned to take the helm at the one-hundred-twenty-year-old Samuel N. and Mary Castle Foundation. He began an active partnership with Good Beginnings Alliance and most recently has been serving as a member of the Early Learning Council's Finance Committee.

Mr. Castle has served as a member of the Early Learning Advisory Board's predecessor, the Early Learning Council, and he brings a wealth of knowledge on early education and private foundations to the Early Learning Advisory Board.

Mr. Castle's dedication to building a high-quality, integrated, comprehensive education system in Hawaii will assist the Early Learning Advisory Board in fulfilling its mission.

M. NAMAKAOKALANI RAWLINS

Your Committee received testimony in support of the nomination of M. Namakaokalani Rawlins from the Executive Office on Early Learning; Association of Hawaiian Civic Clubs; 'Aha Pūnana Leo, Inc.; Good Beginnings Alliance; Native Hawaiian Education Council; and two individuals.

Your Committee finds that Ms. Rawlins received her Bachelor of Arts degree in Hawaiian Studies from the University of Hawaii at Hilo. She is currently working toward her Master of Arts degree in Hawaiian Language and Literature at the University of Hawaii at Hilo.

Ms. Rawlins is currently the Director of Strategic Partnerships and Collaborations at 'Aha Punana Leo, Inc., 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 previously served as the Director of 'Aha Punana Leo, Inc.

Ms. Rawlins has been actively involved in the promotion and preservation of the Hawaiian language for over twenty years, serving as a Hawaiian Language College Adjunct Assistant Professor and Chairperson of the Native Hawaiian Education State Council from 2007 to 2011. Ms. Rawlins has also served on the Language Access Advisory Council.

Ms. Rawlins' professional and educational background make her an asset to the Early Learning Advisory Board and to help ensure that early learning programs are taught in both of Hawaii's official state languages, English and Hawaiian.

As affirmed by the records of votes of the members of your Committee on 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, 1 (Ruderman).

**SCRep. 3440 Education on Gov. Msg. No. 649**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII TEACHER STANDARDS BOARD

G.M. No. 649 TERRY HOLCK, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Terry Holck to possess the requisite qualifications to be nominated to the Hawaii Teacher Standards Board.

Your Committee received testimony in support of the nomination of Terry Holck from the Hawaii State Teachers Association and five individuals.

Your Committee finds that Ms. Holck received a Bachelor's degree in Education from the University of Hawaii at Manoa. She has served as a teacher in various Department of Education public schools as well as at Voyager Charter School. Ms. Holck has also served as an educational trainer and a mentor for teacher candidates. She is currently a Resource Teacher at the Nanakuli-Waianae Complex Area.

Ms. Holck testified that she first became interested in serving on the Hawaii Teacher Standards Board because she was concerned about the lack of response she and fellow teachers experienced when trying to get information from the Hawaii Teacher Standards Board. Since joining the Hawaii Teacher Standards Board in July 2008, Ms. Holck reported to your Committee that the Hawaii Teacher Standards Board has improved its customer service, responding to teachers within two days of an inquiry.

Ms. Holck currently serves as the Chairperson of the Hawaii Teacher Standards Board. She has also served on the Hawaii Teacher Standards Board's Teacher Standards Committee, Legislative Committee, and License Renewal Committee.

Your Committee finds that Ms. Holck's leadership qualities and commitment to education continue to make her an asset to the Hawaii Teacher Standards Board.

As affirmed by the record of votes of the members of your Committee on 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, 1 (Ruderman).

**SCRep. 3441 Education on Gov. Msg. No. 530**

Recommending that the Senate advise and consent to the nomination of the following:

EDUCATION COMMISSION OF THE STATES

G.M. No. 530 J. N. MUSTO, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds J. N. Musto to possess the requisite qualifications to be nominated to the Education Commission of the States.

Your Committee received testimony in support of the nomination of J. N. Musto from Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; and seventeen individuals.

Your Committee finds that Mr. Musto received a Bachelor of Science degree in Biology from Hillsdale College. Mr. Musto went on to receive his Master of Arts degree and Doctorate of Philosophy from the University of Michigan.

Mr. Musto has a diverse educational employment history. He is currently the Executive Director of the University of Hawaii Professional Assembly (UHPA), a position he has held since 1980. Mr. Musto also served as a secondary school science teacher, an

Assistant Professor at Northern Michigan University, a Guest Lecturer at Hawaii Pacific University, and an Instructor at the University of Hawai'i at Manoa.

Mr. Musto belongs to several professional organizations and has served on numerous boards, commissions, and task forces, including the Panel of Mediators for the Hawaii State Judiciary's Center for Alternative Dispute Resolution, Board of Trustees for the Hawaii Employer-Union Health Benefits Trust Fund, National Education Association Higher Education Research Advisory Group, and Hawaii Council on Economic Education. He is a member of the Hawaii P-20 Council which addresses the State's educational interest from early childhood education through higher education. He also serves as a mediator with the Neighborhood Justice Center of Honolulu.

Mr. Musto testified that he views the Education Commission of the States as a very valuable clearinghouse of information on a wide variety of topics related to public and private education. Mr. Musto would like to see Hawaii become a more active participant in helping to formulate national public policy, using the Education Commission of the States. In addition, he believes Hawaii can be a model for public education reform.

By virtue of his training, experience, and knowledge, Mr. Musto continues to be well-positioned and well-prepared to assist the Education Commission of the States in its mission of developing effective policies and practices for public education.

As affirmed by the record of votes of the members of your Committee on 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, 1 (Ruderman).

**SCRep. 3442 Commerce and Consumer Protection on Gov. Msg. Nos. 591 and 592**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 591 GARY YABUTA, for a term to expire 6-30-2018; and

G.M. No. 592 DARRYL PERRY, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Gary Yabuta and Darryl Perry to possess the requisite qualifications to be nominated to the Board of Private Detectives and Guards.

GARY YABUTA

Your Committee received testimony in support of the nomination of Gary Yabuta from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Police Chief Yabuta's background, experience, and proven leadership on the Board of Private Detectives and Guards qualify him for reappointment to the Board of Private Detectives and Guards as a chief of police member. Your Committee notes that Police Chief Yabuta has been with the Maui Police Department, the sole full-service law enforcement organization for Maui County, for over thirty years and is the Department's current Chief of Police. Your Committee further finds that Police Chief Yabuta has served on the Board of Private Detectives and Guards since September 2009, has been the Vice Chairperson of the Board since July 2012, and has a thorough understanding of the role and responsibilities of board members. Your Committee therefore recommends that Police Chief Yabuta be reappointed to the Board of Private Detectives and Guards based on his knowledge, experience, and dedication to protecting and serving the public.

DARRYL PERRY

Your Committee received testimony in support of the nomination of Darryl Perry from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Police Chief Perry's background, experience, and proven leadership on the Board of Private Detectives and Guards qualify him for reappointment to the Board of Private Detectives and Guards as a chief of police member. Your Committee notes that Police Chief Perry has almost forty years of law enforcement experience and has worked directly and indirectly with private sector security firms and individual private detectives throughout this time. Police Chief Perry retired from the Honolulu Police Department in 2002 and joined the Kauai Police Department in 2007, where he currently serves as the Chief of Police. Your Committee further finds that Police Chief Perry has served on the Board of Private Detectives and Guards since September 2009 and has a thorough understanding of the role and responsibilities of board members. Your Committee therefore recommends that Police Chief Perry be reappointed to the Board of Private Detectives and Guards based on his knowledge, experience, and commitment to public safety.

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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3443 Commerce and Consumer Protection on Gov. Msg. No. 600**

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. 600 DEMETRIO CONSTANTINO, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Demetrio Constantino to possess the requisite qualifications to be nominated to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

Your Committee received testimony in support of the nomination of Demetrio Constantino from the Department of Commerce and Consumer Affairs; First Pacific Builders, LLC; Wally's Flooring, LLC; and one individual.

Upon review of the testimony, your Committee finds that Mr. Constantino's desire to serve the community and proven leadership on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects qualify him for reappointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as a public member. Your Committee notes that Mr. Constantino has been an electrical contractor for over fourteen years and is president of his company, DYC Electric Service, LLC. Mr. Constantino has been a member of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects since July 2011 and his opinions on various Board issues from the viewpoint of a consumer continue to enhance the effectiveness of the Board. Your Committee further finds that Mr. Constantino has a thorough understanding of the role and responsibilities of board members and recommends that Mr. Constantino be reappointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his 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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3444 Commerce and Consumer Protection on Gov. Msg. Nos. 613, 624, and 625**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 613 JOY SHIMABUKU, for a term to expire 6-30-2017;

G.M. No. 624 MARIANNE TIMMERMAN, for a term to expire 6-30-2015; and

G.M. No. 625 EARL HASEGAWA, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Joy Shimabuku, Marianne Timmerman, and Earl Hasegawa to possess the requisite qualifications to be nominated to the Board of Dental Examiners.

JOY SHIMABUKU

Your Committee received testimony in support of the nomination of Joy Shimabuku from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Ms. Shimabuku's background, experience, and commitment to public service qualify her for appointment to the Board of Dental Examiners as a public member. Your Committee notes that Ms. Shimabuku is a licensed cosmetologist and business owner who actively donates her time to the community, including volunteering at The Queen's Medical Center, where she provides beauty services to cancer patients, and with the American Cancer Society. Your Committee further finds that Ms. Shimabuku will bring experience to the Board of Dental Examiners by virtue of her prior service as an industry member of the Board of Barbering and Cosmetology and as a public member of the Board of Examiners in Optometry. Your Committee therefore recommends that Ms. Shimabuku be appointed to the Board of Dental Examiners based on her background, experience, and dedication to serving her community.

MARIANNE TIMMERMAN

Your Committee received testimony in support of the nomination of Marianne Timmerman from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Ms. Timmerman's knowledge, experience, and dedication to serving her community qualify her for appointment to the Board of Dental Examiners as a dental hygienist member. Your Committee notes that Ms. Timmerman has been licensed as a dental hygienist in Hawaii since 1991 and is currently employed with Dr. D. Mark Beavers, D.D.S., at his family dental practice in Kailua. Ms. Timmerman is also a member of the Hawaii Dental Hygienists' Association, where she has served in a variety of leadership roles, including as past President. Your Committee further finds that Ms. Timmerman has a thorough understanding of the role and responsibilities of board members and recommends that Ms. Timmerman be appointed to the Board of Dental Examiners based on her background, experience, and commitment to public service.

EARL HASEGAWA

Your Committee received testimony in support of the nomination of Earl Hasegawa from the Department of Commerce and Consumer Affairs, Hawaii Dental Association, and six individuals.

Upon review of the testimony, your Committee finds that Dr. Hasegawa's experience, background, and commitment to his profession qualify him for appointment to the Board of Dental Examiners as a dentist member. Your Committee notes that Dr. Hasegawa has been a licensed dentist since 1990 and is an oral and maxillofacial surgeon in private practice in Kahului, Maui. Dr. Hasegawa is a member of several professional organizations, including the American Dental Association, Hawaii Dental Association,

American Association of Oral and Maxillofacial Surgery, and Maui County Dental Association, where he served as past President. Dr. Hasegawa is also dedicated to his community and played a major role in the development of the Dental Assisting and Dental Hygiene programs at the University of Hawaii Maui College. Your Committee further finds that Dr. Hasegawa has a thorough understanding of the role and responsibilities of board members and recommends that Dr. Hasegawa be appointed to the Board of Dental Examiners based on his knowledge, experience, and dedication to community 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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3445 Commerce and Consumer Protection on Gov. Msg. No. 614**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII MEDICAL BOARD

G.M. No. 614 BARRY SHITAMOTO, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Barry Shitamoto to possess the requisite qualifications to be nominated to the Hawaii Medical Board.

Your Committee received testimony in support of the nomination of Barry Shitamoto from the Department of Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Dr. Shitamoto's background, experience, and dedication to the community qualify him for appointment to the Hawaii Medical Board as a physician member. Your Committee notes that Dr. Shitamoto has been licensed in Hawaii since 1982 and has been a staff pathologist at Maui Memorial Medical Center since 1989. Dr. Shitamoto also serves as a pathologist and director of laboratory at Clinical Laboratories of Hawaii, Inc., and as a member of the physician advisory group for the Hawaii Health Systems Corporation. Dr. Shitamoto is a member of several professional organizations, including the American Society of Clinical Pathologists, College of American Pathologists, and Hawaii Society of Pathologists, and is an active member of his community, including serving as the President of the Maui Memorial Medical Foundation, Director of Maui Visions Advisory Board, and Director of the Boy Scouts of America, Maui Council. Your Committee further finds that Dr. Shitamoto has a thorough understanding of the role and responsibilities of board members and recommends that Dr. Shitamoto be appointed to the Hawaii Medical Board based on his knowledge, experience, and commitment to serving the public.

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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3446 Commerce and Consumer Protection on Gov. Msg. No. 615**

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 615 WENDEE WILSON, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Wendee Wilson to possess the requisite qualifications to be nominated to the Motor Vehicle Industry Licensing Board.

Your Committee received testimony in support of the nomination of Wendee Wilson from the Department of Commerce and Consumer Affairs and five individuals.

Upon review of the testimony, your Committee finds that Ms. Wilson's experience and commitment to public service qualify her for appointment to the Motor Vehicle Industry Licensing Board as a public member. Your Committee notes that Ms. Wilson is currently a legislative office manager for the State House of Representatives and is familiar with the objectives and operations of the Motor Vehicle Industry Licensing Board and Department of Commerce and Consumer Affairs. Ms. Wilson previously served two terms as a public member of the Board of Massage Therapy, including serving as Chair until her term expired in April 2013. This experience will make her an invaluable asset to the Motor Vehicle Industry Licensing Board. Your Committee further finds that Ms. Wilson has a thorough understanding of the role and responsibilities of board members and recommends that Ms. Wilson be appointed to the Motor Vehicle Industry Licensing Board based on her knowledge, prior board experience, and dedication to serving her community.

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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3447 Commerce and Consumer Protection on Gov. Msg. Nos. 616 and 635**

Recommending that the Senate advise and consent to the nominations of the following:



BOARD OF PSYCHOLOGY

G.M. No. 616 MARTY OLIPHANT, for a term to expire 6-30-2018; and

G.M. No. 635 ROSEMARY ADAM-TEREM, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Marty Oliphant and Rosemary Adam-Terem to possess the requisite qualifications to be nominated to the Board of Psychology.

MARTY OLIPHANT

Your Committee received testimony in support of the nomination of Marty Oliphant from the Department of Commerce and Consumer Affairs and six individuals.

Upon review of the testimony, your Committee finds that Mr. Oliphant's background and commitment to public service qualify him for appointment to the Board of Psychology as a public member. Your Committee notes that Mr. Oliphant is the Executive Director of the National Association of Social Workers, Hawaii Chapter. In this capacity, Mr. Oliphant has worked closely with the Department of Commerce and Consumer Affairs and has been an integral player in the regulation of social workers in the State. Mr. Oliphant has also been an active member on community boards and task committees, including serving on review committees for grants and proposals, Child Welfare Services, and program evaluation teams. This useful experience will enhance the effectiveness of the board. Your Committee further finds that Mr. Oliphant has a thorough understanding of the role and responsibilities of board members and recommends that Mr. Oliphant be appointed to the Board of Psychology based on his background, experience, and dedication to serving the community.

ROSEMARY ADAM-TEREM

Your Committee received testimony in support of the nomination of Rosemary Adam-Terem from the Department of Commerce and Consumer Affairs, Hawaii Psychological Association, and one individual.

Upon review of the testimony, your Committee finds that Dr. Adam-Terem's background, experience, and proven leadership on the Board of Psychology qualify her for reappointment to the Board of Psychology as a licensee member. Your Committee notes that Dr. Adam-Terem has been a licensed psychologist in Hawaii since 1987 and has been in private practice since 1988. Dr. Adam-Terem is an active member of the Hawaii Psychological Association, where she has served in various leadership positions and as chair of various committees, including the Continuing Education, Ethics, and Convention Committees. Dr. Adam-Terem has also served in governance and on committees at the national level in the American Psychological Association. Your Committee further finds that Dr. Adam-Terem has been a licensee member of the Board of Psychology since 2012 and has a thorough understanding of the role and responsibilities of board members. Your Committee therefore recommends that Dr. Adam-Terem be reappointed as a member of the Board of Psychology based on her extensive experience, knowledge, and dedication 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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3448 Commerce and Consumer Protection on Gov. Msg. Nos. 626 and 627**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII HURRICANE RELIEF FUND

G.M. No. 626 STAFFORD KIGUCHI, for a term to expire 6-30-2015; and

G.M. No. 627 MICHAEL HAMNETT, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Stafford Kiguchi and Michael Hamnett to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Hurricane Relief Fund.

STAFFORD KIGUCHI

Your Committee received testimony in support of the nomination of Stafford Kiguchi from the Department of Commerce and Consumer Affairs, Hawaii Financial Services Association, Hawaii Bankers Association, American Diabetes Association, and five individuals.

Upon review of the testimony, your Committee finds that Mr. Kiguchi's background, experience, and commitment to public service qualify him for appointment to the Board of Directors of the Hawaii Hurricane Relief Fund. Your Committee notes that Mr. Kiguchi is the Executive Vice President and Manager of Government Relations and Corporate Communications for Bank of Hawaii. Mr. Kiguchi's extensive professional experience includes governmental relations, internal and external corporate communications, issues and reputation management, and crisis and risk communications. Mr. Kiguchi has also served on several professional and community associations, including the American Diabetes Association, Hawaii Chapter; Move Forward Oahu; Hawaii Bankers Association; and Public Relations Society of America, Hawaii Chapter. Your Committee further finds that Mr. Kiguchi has a thorough understanding of the role and responsibilities of board members and recommends that Mr. Kiguchi be appointed to the Board of Directors of the Hawaii Hurricane Relief Fund based on his experience, knowledge, and dedication to protecting the interests of the public.

MICHAEL HAMNETT

Your Committee received testimony in support of the nomination of Michael Hamnett from the Department of Commerce and Consumer Affairs, State Civil Defense Division of the Department of Defense, and six individuals.

Upon review of the testimony, your Committee finds that Mr. Hamnett's background, experience, and proven leadership on the Board of Directors of the Hawaii Hurricane Relief Fund qualify him for reappointment to the Board of Directors of the Hawaii Hurricane Relief Fund. Your Committee notes that Mr. Hamnett is currently the Executive Director of the Research Corporation of the University of Hawaii; has over thirty years of experience in the fields of disaster preparedness and mitigation in Hawaii and the Pacific Islands region; and has worked extensively on climate variability and change and their impacts on extreme weather events such as hurricanes. Mr. Hamnett has also worked with the Hawaii Hurricane Relief Fund since 1993, as a member and chair of the Technical Advisory Committee. Your Committee further finds that Mr. Hamnett has been on the Board of Directors of the Hawaii Hurricane Relief Fund since 2009 and currently serves as its Chair. Your Committee therefore recommends that Mr. Hamnett be reappointed to the Board of Directors of the Hawaii Hurricane Relief Fund based on his extensive experience, knowledge, and commitment to reducing the risk of catastrophic damage from future hurricanes.

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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3449 Commerce and Consumer Protection on Gov. Msg. Nos. 628, 629, and 630**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MASSAGE THERAPY

G.M. No. 628 OLIVIA NAGASHIMA, for a term to expire 6-30-2018;

G.M. No. 629 STEPHANIE BATH, for a term to expire 6-30-2014; and

G.M. No. 630 STEPHANIE BATH, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Olivia Nagashima and Stephanie Bath to possess the requisite qualifications to be nominated to the Board of Massage Therapy.

OLIVIA NAGASHIMA

Your Committee received testimony in support of the nomination of Olivia Nagashima from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Ms. Nagashima's background, experience, and proven leadership on the Board of Massage Therapy qualify her for reappointment to the Board of Massage Therapy as a licensee member. Your Committee notes that Ms. Nagashima has been a licensed massage therapist since 1996; is the owner, principal, and sponsoring therapist of Koolau Massage; and is a part-time instructor at the Hawaii Healing Arts College and massage clinic coordinator at Remington College. Ms. Nagashima is also an active member of the American Massage Therapy Association, Hawaii Chapter, where she has held a variety of leadership roles, including past President. Ms. Nagashima has been a member of the Board of Massage Therapy since August 2008 and currently serves as Chair. Your Committee further finds that Ms. Nagashima has a thorough understanding of the role and responsibilities of board members and recommends that Ms. Nagashima be reappointed to the Board of Massage Therapy based on her knowledge, experience, and commitment to serving the public.

STEPHANIE BATH

Your Committee received testimony in support of the nomination of Stephanie Bath from the Department of Commerce and Consumer Affairs and eighteen individuals.

Upon review of the testimony, your Committee finds that Ms. Bath's knowledge, background, and prior experience on the Board of Massage Therapy qualify her for appointment and reappointment to the Board of Massage Therapy as a licensee member. Your Committee notes that Ms. Bath has been a licensed massage therapist in Hawaii since 1981; has maintained an active massage establishment license since 1984; and previously served as a member of the Board of Massage Therapy from 1987 until 1992. Ms. Bath is also an active member of her community, including serving as a volunteer with the American Red Cross and the Hawaii County Civil Defense Community Emergency Response Team program. Your Committee further finds that Ms. Bath has a thorough understanding of the role and responsibilities of board members and her perspective as a massage therapist from Hawaii County will enhance the effectiveness of the Board. Your Committee therefore recommends that Ms. Bath be appointed and reappointed to the Board of Massage Therapy based on her extensive experience, background, 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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3450 Commerce and Consumer Protection on Gov. Msg. No. 631**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 631 MARCELLA CHOCK, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Marcella Chock to possess the requisite qualifications to be nominated to the Board of Pharmacy.

Your Committee received testimony in support of the nomination of Marcella Chock from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Dr. Chock's knowledge, experience, and commitment to community service qualify her for appointment to the Board of Pharmacy as a licensee member representing the City and County of Honolulu. Your Committee notes that Dr. Chock has been a licensed pharmacist since 1989 and has worked in a variety of health care settings, with experience as a clinical staff pharmacist, pharmacy director, and medical outcomes specialist in drug research and development. Dr. Chock has been an active member of the Hawaii Pharmacists Association for many years, where she has served as a board member and officer. Your Committee further finds that Dr. Chock has a thorough understanding of the role and responsibilities of board members and will bring practical industry experience to the Board of Pharmacy by virtue of her extensive background and knowledge of federal regulations. Your Committee therefore recommends that Dr. Chock be appointed to the Board of Pharmacy based on her extensive experience, background, and dedication 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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3451 Commerce and Consumer Protection on Gov. Msg. No. 632**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 632 RUSSELL CHUNG, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Russell Chung to possess the requisite qualifications to be nominated to the Board of Physical Therapy.

Your Committee received testimony in support of the nomination of Russell Chung from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Mr. Chung's background and prior experience on two State boards qualify him for appointment to the Board of Physical Therapy as a public member. Your Committee notes that Mr. Chung is a landscape architect with over thirty years of experience in California and Hawaii. Mr. Chung is currently the Executive Vice-President of PBR Hawaii & Associates, Inc., a Hawaii company that focuses on landscape architecture, land planning, environmental studies, and graphic design. Mr. Chung will bring valuable experience to the Board of Physical Therapy by virtue of his previous service on the Motor Vehicle Industry Licensing Board as a public member and the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as a licensee member. Your Committee further finds that Mr. Chung has a thorough understanding of the role and responsibilities of board members and recommends that Mr. Chung be appointed to the Board of Physical Therapy based on his knowledge, experience, and commitment to community 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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3452 Commerce and Consumer Protection on Gov. Msg. No. 636**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 636 GARY BELCHER, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Gary Belcher to possess the requisite qualifications to be nominated to the Board of Speech Pathology and Audiology.

Your Committee received testimony in support of the nomination of Gary Belcher from the Department of Commerce and Consumer Affairs and six individuals.

Upon review of the testimony, your Committee finds that Mr. Belcher's background, experience, and desire to contribute to the community qualify him for appointment to the Board of Speech Pathology and Audiology as a public member. Your Committee notes that Mr. Belcher has worked in health education since 1977; has an excellent understanding of all levels of the health care paradigm; and is currently the Residency Program Administrator with the University of Hawaii John A. Burns School of Medicine. Your Committee further finds that Mr. Belcher has a thorough understanding of the role and responsibilities of board members and his administrative medical experience will bring an important perspective to the Board of Speech Pathology and Audiology. Your

Committee therefore recommends that Mr. Belcher be appointed to the Board of Speech Pathology and Audiology based on his knowledge, experience, and dedication 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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3453 Commerce and Consumer Protection on Gov. Msg. No. 637**

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 637 ROY SASUGA, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Roy Sasuga to possess the requisite qualifications to be nominated to the Motor Vehicle Repair Industry Board.

Your Committee received testimony in support of the nomination of Roy Sasuga from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Mr. Sasuga's background, desire to contribute to the community, and proven leadership on the Motor Vehicle Repair Industry Board qualify him for reappointment to the Motor Vehicle Repair Industry Board as a public member. Your Committee notes that Mr. Sasuga spent his entire forty-year career in the property and casualty insurance industry, where he had extensive dealings with the motor vehicle repair industry. Mr. Sasuga was trained as a general adjuster, eventually became the Claims Manager for Island Insurance Company, Ltd., and finally served as Vice President of Claims Consulting Services for Atlas Insurance Agency, Inc., until his retirement. Your Committee further finds that Mr. Sasuga has been a member of the Motor Vehicle Repair Industry Board since March 2009 and his experience in the insurance industry continues to enhance the effectiveness of the Board. Your Committee therefore recommends that Mr. Sasuga be reappointed to the Motor Vehicle Repair Industry Board based on his knowledge, experience, and commitment to giving back to his community.

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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3454 Commerce and Consumer Protection on Gov. Msg. No. 638**

Recommending that the Senate advise and consent to the nomination of the following:

PEST CONTROL BOARD

G.M. No. 638 JONATHAN MONTALBO, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jonathan Montalbo to possess the requisite qualifications to be nominated to the Pest Control Board.

Your Committee received testimony in support of the nomination of Jonathan Montalbo from the Department of Commerce and Consumer Affairs, Hawaii Pest Control Association, and two individuals.

Upon review of the testimony, your Committee finds that Mr. Montalbo's background, experience, and commitment to serving the public qualify him for appointment to the Pest Control Board as a licensed pest control operator member. Your Committee notes that Mr. Montalbo has been in the pest control industry since 1998, has maintained a pest control operator's license since 2007, and is the President of Aloha Termite Kauai, Inc., in Lihue, Kauai. Mr. Montalbo is an active member of the Hawaii Pest Control Association, where he previously served as President of the Board of Directors and as the Association's Conference Chair. Your Committee further finds that Mr. Montalbo has a thorough understanding of the role and responsibilities of board members and will bring a valuable neighbor island perspective to the Pest Control Board. Your Committee therefore recommends that Mr. Montalbo be appointed to the Pest Control Board based on his knowledge, experience, and dedication to his profession.

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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3455 Commerce and Consumer Protection on Gov. Msg. Nos. 639 and 640**

Recommending that the Senate advise and consent to the nominations of the following:

REAL ESTATE COMMISSION

G.M. No. 639 SCOTT SHERLEY, for a term to expire 6-30-2018; and

G.M. No. 640 MICHAEL PANG, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Scott Sherley and Michael Pang to possess the requisite qualifications to be nominated to the Real Estate Commission.

SCOTT SHERLEY

Your Committee received testimony in support of the nomination of Scott Sherley from the Real Estate Commission; Hawai'i Association of REALTORS; and Badger Arakaki, LLLC.

Upon review of the testimony, your Committee finds that Mr. Sherley's background, experience, and proven leadership on the Real Estate Commission qualify him for reappointment to the Real Estate Commission as a real estate broker member representing Hawaii County. Your Committee notes that Mr. Sherley has been a licensed realtor in Hawaii since 1985 and is the broker in charge of ERA Pacific Properties' Hilo office. Mr. Sherley has been actively involved with his professional organizations, including serving as past President of the Hawaii Association of REALTORS. Mr. Sherley has also been involved in continuing education for Hawaii real estate licensees and has taught continuing education for his own school and other Hawaii Association of REALTOR boards. Your Committee further finds that Mr. Sherley has been a member of the Real Estate Commission since 2010 and currently serves as the Chair of the Condominium Review Committee. Your Committee therefore recommends that Mr. Sherley be reappointed to the Real Estate Commission based on his knowledge, experience, and dedication to serving the public.

MICHAEL PANG

Your Committee received testimony in support of the nomination of Michael Pang from the Department of Commerce and Consumer Affairs, First Hawaiian Realty, and fourteen individuals.

Upon review of the testimony, your Committee finds that Mr. Pang's background, experience, and commitment to serving the public qualify him for appointment to the Real Estate Commission as a real estate broker member representing the City and County of Honolulu. Your Committee notes that Mr. Pang has maintained a real estate broker's license since 1983 and has been the President and Principal Broker of his company, Monarch Properties, Inc., since 1986. Mr. Pang is actively involved with the Honolulu Board of REALTORS and Hawaii Association of REALTORS, where he has served in a variety of leadership roles and committee positions. Mr. Pang has also served as an expert witness on ethical and professional standards for realtors in court and arbitration proceedings, giving him practical industry experience that will be useful to the Real Estate Commission. Your Committee further finds that Mr. Pang has a thorough understanding of the role and responsibilities of commission members and recommends that he be appointed to the Real Estate Commission based on his experience, knowledge, and dedication to his profession.

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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3456 Commerce and Consumer Protection on Gov. Msg. No. 698**

Recommending that the Senate advise and consent to the nomination of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 698 TIMOTHY BRYAN, for a term to expire 6-30-2015

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Timothy Bryan to possess the requisite qualifications to be nominated to the Cable Advisory Committee.

Your Committee received testimony in support of the nomination of Timothy Bryan from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Mr. Bryan's background, experience, and commitment to serving the community qualify him for appointment to the Cable Advisory Committee. Your Committee notes that Mr. Bryan has worked in various capacities in the television industry since 1976, and is currently a producer, director, and freelance cameraman for Tim O. Bryan Video Production Services in Volcano, Hawaii. As a former board member for Na Leo O Hawaii Community Access Television, Mr. Bryan was exposed to many of the issues and concerns facing public access television. This background experience will be useful to the Cable Advisory Committee. Your Committee further finds that Mr. Bryan has a thorough understanding of the role and responsibilities of committee members and will bring a valuable neighbor island perspective to the Cable Advisory Committee. Your Committee therefore recommends that Mr. Bryan be appointed to the Cable Advisory Committee based on his knowledge, experience, and dedication 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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3457 Commerce and Consumer Protection on Gov. Msg. No. 699**

Recommending that the Senate advise and consent to the nomination of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 699 DANNY MATSUOKA, for a term to expire 6-30-2018 (term amended to 6-30-2017 by GM708)

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Danny Matsuoka to possess the requisite qualifications to be nominated to the Contractors License Board.

Your Committee received testimony in support of the nomination of Danny Matsuoka from the Department of Commerce and Consumer Affairs; International Brotherhood of Electrical Workers, Local Union No. 1186, AFL-CIO; and two individuals.

Upon review of the testimony, your Committee finds that Mr. Matsuoka's background and commitment to public service qualify him for appointment to the Contractors License Board as a public member. Your Committee notes that Mr. Matsuoka has been in the construction industry for almost forty years and currently serves as the General Manager for the Kona branch of Wasa Electrical Services, Inc. Mr. Matsuoka has worked on a large variety of commercial, residential, and public works projects throughout the years, providing general industry experience that will enhance the effectiveness of the Contractors License Board. Your Committee further finds that Mr. Matsuoka has a thorough understanding of the role and responsibilities of board members and will bring a valuable neighbor island perspective to the Contractors License Board. Your Committee therefore recommends that Mr. Matsuoka be appointed to the Contractors License Board based on his experience, knowledge, and dedication to giving back to his community.

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, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 3458 (Majority) Commerce and Consumer Protection on H.C.R. No. 40**

The purpose and intent of this measure is to recognize and designate the Hawaii Health Information Exchange as the only fully operational, statewide health information exchange operating in Hawaii.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Commerce and Consumer Affairs, Department of Health, Hawai'i Health Information Exchange, Hawaii Health Information Corporation, Hawaii Medical Service Association, Kaiser Permanente Hawaii, and AARP Hawaii.

Your Committee finds that the purpose of the Hawaii Health Information Exchange is to improve health care delivery across Hawaii through a seamless, effective, safe, and secure health information exchange. The Hawaii Health Information Exchange currently fills a very important leadership role in carrying out the health information technology elements of health care transformation and has the potential to do much more as the State's designated nonprofit partner. Your Committee further finds that besides building technical infrastructure, the Hawaii Health Information Exchange supports the adoption and use of health information technology as the trusted, neutral source for expertise and as the convener of health care providers to discuss and align health information technology initiatives.

This measure formally recognizes and designates the Hawaii Health Information Exchange as the only fully operational statewide health information exchange in Hawaii. Such designation will encourage the continued advancement of health care transformation initiatives throughout the State, including the Hawaii Health Information Exchange and State's mutual goal of statewide real-time exchange of electronic patient data.

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 Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 40, 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. 40, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Nishihara, Wakai).

**SCRep. 3459 Commerce and Consumer Protection on H.C.R. No. 66**

The purpose and intent of this measure is to request the State Auditor to conduct a sunrise review of the regulation of veterinary technicians and the practice of veterinary technology.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Board of Veterinary Examiners, and Hawaii Veterinary Medical Association.

Your Committee finds that veterinary technicians are valuable team members of the veterinary profession, as they assist veterinarians and serve other roles in the care and treatment of animals. However, veterinary technicians and the practice of veterinary technology are not presently licensed or regulated in Hawaii. Your Committee further finds that this measure requests the Auditor to perform a sunrise review pursuant to section 26H-6, Hawaii Revised Statutes, on the regulation of veterinary technicians and the practice of veterinary technology, as proposed by Senate Bill No. 2502, S.D. 1, Regular Session of 2014. The Auditor's analysis would set forth the probable effects of the proposed regulatory measure, assess whether its enactment is consistent with section 26H-6, Hawaii Revised Statutes, and assess alternate forms of regulation. Your Committee additionally finds that a sunrise review is the necessary next step toward the licensing and regulation of veterinary technicians and the practice of veterinary technology, which will improve the level of care for animals in 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 concurs with the intent and purpose of H.C.R. No. 66, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 3460 Economic Development, Government Operations and Housing on H.C.R. No. 176**

The purpose and intent of this measure is to request the State Procurement Office to conduct a study on the feasibility, necessary processes, and costs relative to requiring the consideration of past performance as a factor in awarding public contracts, including low bid contracts.

Your Committee received testimony in support of this measure from the Hawaii Construction Alliance. Your Committee received testimony in opposition to this measure from the State Procurement Office. Your Committee received comments on this measure from the General Contractors Association of Hawaii and Building Industry Association of Hawaii.

Your Committee finds that according to the State Procurement Office, debaring a contractor for poor performance is not a common practice. A contractor's past performance, if considered, is only considered during the evaluation of proposals submitted to a specific request for proposals. This raises concerns with regard to low bid construction contracts, which must be awarded to the lowest responsive bidder.

Your Committee further finds that several other jurisdictions, including the federal government, state governments, municipalities, and tribal governments, require consideration of past performance in low bid contracts. Having an opportunity to review the past performance of contractors would give the State an opportunity to avoid poor-performing contractors and enter into contracts with better-performing contractors.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 176, 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 (Baker, Chun Oakland, English).

**SCRep. 3461 Water and Land on H.C.R. No. 14**

The purpose and intent of this measure is to authorize the issuance of a lease and easement of certain submerged lands at Manele Bay, Lana'i, to Lana'i Resorts, LLC.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that the Legislature authorized the issuance of a similar lease and easement to Castle & Cooke, Inc., who then renamed the corporation to Lana'i Resorts, LLC, which was subsequently purchased by Larry Ellison. The initial lease and easement called for a marina to be built, but after the recent tsunami events it was determined that a marina would not be feasible in this area and a single floating dock would be more appropriate. In consideration of today's growth with Lana'i as a destination point, the Division of Boating and Ocean Recreation has determined that a floating loading dock is much needed at the harbor and could be built to withstand another tsunami of moderate impact. The Department of Land and Natural Resources stated in testimony that it also appreciates Lana'i Resorts, LLC's commitment to maintaining the Manele Small Boat Harbor landscaping and ferry passenger waiting areas.

The Board of Land and Natural Resources voted on November 8, 2013, to authorize the termination of the lease and easements executed with Castle & Cooke Resorts, LLC, and to authorize the issuance of a new fifty-five year lease and easement by way of direct negotiation with Lana'i Resorts, LLC, of certain submerged lands and fast lands at Manele Small Boat Harbor on the island of Lana'i identified as tax map key (2) 4-9-17:06. The new lease will provide for the construction, maintenance, and use of submerged lands for the floating and loading dock and for mooring approved by the Division of Boating and Ocean Recreation.

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 Water and Land that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 14, 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. 14, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Ihara, Taniguchi, Thielen).

**SCRep. 3462 Water and Land on H.C.R. No. 136**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement, covering a portion of state submerged lands at Waiohuli-Keokea Homesteads, Kihei, Maui, for seawall and rock revetment purposes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that a seawall and rubble rock revetment encumber approximately 2,387 square feet, of which is a portion of state submerged lands seaward of Tax Map Key: (2) 3-9-012:004. On May 18, 2006, the Office of Conservation and Coastal Lands of the Department of Land and Natural Resources determined that allowing the encroachment to remain through the issuance of an easement would have no adverse impact on natural resources, including beach resources and public access. On June 10, 2010, under agenda item D-10, the Board of Land and Natural Resources granted an amended approval for a fifty-five year term, non-exclusive easement to a private trust. This measure provides legislative approval pursuant to section 171-53, Hawaii Revised Statutes, for the issuance of the easement.

Your Committee has amended this measure by making a technical, nonsubstantive amendment to correct a reference to the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 136, 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. 136, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Ihara, Taniguchi, Thielen).

**SCRep. 3463 (Joint) Higher Education and Health and Commerce and Consumer Protection on H.C.R. No. 48**

The purpose and intent of this measure is to request the convening of a task force to develop recommendations for the establishment of a regulated statewide dispensary system for medical marijuana.

Your Committees received testimony in support of this measure from the Department of Health, University of Hawai'i at Mānoa College of Social Sciences Public Policy Center, Hawaii Medical Association, Community Alliance on Prisons, Americans for Democratic Action Hawai'i, American Civil Liberties Union of Hawai'i, The Drug Action Policy Group, Hawaiian Standards & Green Futures, and six individuals. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Police Department and the Maui County Police Department. Your Committees received comments on this measure from the Legislative Reference Bureau.

Your Committees find that many of the State's 13,000 patients who qualify to use medical marijuana lack the ability to obtain medical marijuana. A regulated statewide dispensary system for medical marijuana would benefit qualifying patients. This measure would request that the task force examine, among other things, models of medical marijuana dispensary systems in other jurisdictions and make recommendations on the best course of action for the State in establishing its own medical marijuana dispensary system.

As affirmed by the records of votes of the members of your Committees on Higher Education, 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. 48, H.D. 2, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

Health

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Nishihara).

Commerce and Consumer Protection

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Wakai).

**SCRep. 3464 (Joint) Economic Development, Government Operations and Housing and Technology and the Arts on H.C.R. No. 110**

The purpose and intent of this measure is to request the Director of Business, Economic Development, and Tourism to establish a working group to recommend legislation or changes to administrative rules to develop contractual obligations between the State and wireless telecommunication service providers as to the use of public lands for wireless telecommunication infrastructure.

Your Committees received testimony in support of this measure from AT&T Services, Inc. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism and Department of Land and Natural Resources.

Your Committees find that wireless telecommunication service providers must make substantial long term investments and continually upgrade hardware and software to facilitate the implementation of new technologies. State agencies independently establish protocols for the issuance of licenses, leases, and permits for wireless telecommunication services without a predefined framework, resulting in ambiguous and disparate contracts.

Your Committees further find that the current process for the awarding of concession contracts for use by wireless telecommunication service providers is unclear, inconsistent, and may take several years of negotiations.

Your Committees have amended this measure by:

- (1) Inserting language to request that the working group find ways to reduce the amount of time it takes for state agencies to process permits and provide approvals for the most modern communications technology serving the State; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 110, H.D. 2, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 110, H.D. 2, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Baker, English).

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Ihara, Tokuda).



**SCRep. 3465 (Joint) Health and Commerce and Consumer Protection on H.C.R. No. 100**

The purpose and intent of this measure is to request the Auditor to conduct an impact assessment report in accordance with sections 23-51 and 23-52, Hawaii Revised Statutes, of mandating health insurance coverage for medically necessary treatment of orofacial anomalies.

Your Committees received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Kaiser Permanente, Hawaii Pacific Health, and several individuals.

Your Committees find that orthodontic treatment is a part of the comprehensive treatment of orofacial anomalies, such as cleft lip and palate. Your Committees further find that health insurance does not cover payment for these services. This measure acknowledges the importance of improving access for children and youth with orofacial anomalies to medically necessary orthodontic services, which is especially important to families for whom out-of-pocket payment may cause hardship and potential delays in treatment timelines.

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. 100, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

Commerce and Consumer Protection

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

**SCRep. 3466 (Joint) Health and Education on H.C.R. No. 238**

The purpose and intent of this measure is to request the Superintendent of Education and the Director of Health to form a working group to assess whether children in Hawaii who are deaf or severely hard of hearing and who choose the aural/oral route of communication receive proper training and support to learn spoken language skills.

Your Committees received testimony in support of this measure from the Department of Health, Department of Education, State Council on Developmental Disabilities, and five individuals. Your Committees received testimony in opposition to this measure from the Hawaii School for the Deaf Alumni Club and Aloha State Association of the Deaf.

Your Committees find that under federal law, the State is required to provide children who are deaf or seriously hard of hearing with access to least restrictive environments and individual education programs to establish a specific course of action for the children's education. Furthermore, evidence-based research shows that deaf and hard of hearing children who receive an early diagnosis, proper amplification, and professional intervention services from trained experts can be mainstreamed into the school system early. This measure forms a working group to assess whether a gap in education and health care exists for children with hearing impairments in Hawaii.

Your Committees have amended this measure by:

- (1) Removing the requirement that the working group submit a report of its findings and recommendations to the Legislature; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that the inclusion of \$30,000 in the supplemental budget would assist the working group to perform its necessary work.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 238, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 238, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

Education

Ayes, 3. Noes, none. Excused, 2 (Kidani, Gabbard).

**SCRep. 3467 Health on H.C.R. No. 122**

The purpose and intent of this measure is to urge the Director of Health to convene a task force to assess the scope and feasibility of establishing an emergency services patient advocate program.

Your Committee received testimony in support of this measure from the Department of Health, Community Alliance for Mental Health, Healthcare Association of Hawaii, and two individuals.

Your Committee finds that patients and their families can easily become overwhelmed within the medical system, especially when emergency medical attention is necessary. Moreover, emergency room professionals have the highest rate of burnout in the health care profession. Your Committee further finds that a patient advocate program may be necessary to assist in the effective case management of patients and health care providers in emergency situations.

Your Committee has amended this measure by:

- (1) Amending the membership of the task force to include four representatives from the Subarea Health Planning Councils of the Statewide Health Coordinating Council; one representative from the Hawaii Chapter of the American College of Emergency Physicians; one representative of the Emergency Medical Services and Advisory Committee; managers of emergency departments of hospitals located in Hawaii; Healthcare Association staff; and individuals with direct experience in patient advocacy, and remove the directors of emergency rooms, or their designees, from hospitals located in Hawaii;
- (2) Removing the requirement that the task force make recommendations on how to effectively implement an emergency services patient advocate program, including a timetable for implementation;
- (3) Removing the requirement that the task force determine the costs of implementing, and the resources necessary to implement, an emergency services patient advocate program;
- (4) Requiring the task force to make recommendations on whether a statewide emergency services patient advocate program is necessary;
- (5) Requiring the task force to make recommendations on whether a statewide emergency services patient advocate program would be cost-effective;
- (6) Removing the requirement that the report to the Legislature include the task force's actions in assessing the scope and feasibility of establishing an emergency services patient advocate program; and
- (7) 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 Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 122, 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. 122, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3468 (Joint) Health and Human Services on H.C.R. No. 78**

The purpose and intent of this measure is to request the Department of Health to convene a family caregivers working group to examine and assess the role of caregiving for patients released from hospitals, the state of their overall circumstances, and the resources in the community needed and available to assist them.

Your Committees received testimony in support of this measure from the Department of Health; Executive Office on Aging; Office of the Mayor, County of Hawaii; Office of Aging, County of Hawaii; Hawaii Pacific Health; American Cancer Society Cancer Action Network; Hawaii Family Caregiver Coalition; Policy Advisory Board for Elder Affairs; Hawaii Alliance for Retired Americans; AARP Hawaii; and nine individuals. Your Committees received comments on this measure from The Queen's Health Systems and one individual.

Your Committees find that the role of family caregivers is expanding to include medical and nursing tasks. Your Committees further find that due to health care costs and other factors, untrained family caregivers are increasingly called upon to provide medical care. This measure will encourage hospitals, caregiver organizations, and other stakeholders to examine the role of family caregivers in Hawaii, who are essential to long-term support and service systems for patients released from hospitals.

Your Committees have amended this measure by:

- (1) Inserting additional findings;
- (2) Requiring the working group to also assess the state of current practice of caregiver designation, notification, and involvement in discharge planning;
- (2) Requiring the working group to also assess legislative and regulatory recommendations on how best to involve caregivers in patient discharge and prepare caregivers for after-care tasks;
- (3) Inviting the participation of one representative from the AARP, instead of two representatives;
- (4) Inviting the participation of family caregiver representatives from AARP Hawaii, a home health care organization, Kokua Council, American Cancer Society, Papa Ola Lokahi, an Alzheimer's Disease treatment organization, Kokua Mau, and a hospice organization;
- (5) Inviting the participation of either one representative from each Oahu hospital facility or one representative from each hospital or health care system where multiple private Oahu or neighbor island hospitals are under a single hospital or health care system;
- (6) Inviting the participation of a representative from a home health care organization, rather than specifying Home Health Care;
- (7) Inviting the participation of a representative from Hawaii's health insurance or mutual benefit society health plans, rather than specifying Ohana Health Plan;
- (8) Inviting the participation of a representative from a hospice organization, rather than specifying Hospice Hawaii;
- (9) Removing the Governor, or designee; the Chief of the Office of Healthcare Assurance, or designee; and representatives from the Healthcare Association of Hawaii member hospitals from the list of individuals invited to participate in the working group;
- (10) Designating the members of the Senate and House of Representatives as co-chairs of the working group;

- (11) Amending the title of the measure to read, "REQUESTING THE DEPARTMENT OF HEALTH TO CONVENE A FAMILY CAREGIVERS WORKING GROUP TO EXAMINE AND ASSESS THE ROLE OF CAREGIVING FOR PATIENTS RELEASED FROM HOSPITALS, THE STATE OF THEIR OVERALL CIRCUMSTANCES, AND THE RESOURCES IN THE COMMUNITY NEEDED AND AVAILABLE TO ASSIST THEM"; and
- (12) 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 Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 78, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 78, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

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

Human Services

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

**SCRep. 3469 Health on H.C.R. No. 202**

The purpose and intent of this measure is to request the Director of Health to convene a working group to recommend ways to reduce incidents of sepsis and sepsis deaths in the State.

Your Committee received testimony in support of this measure from the Department of Health, Kaiser Permanente, and Community Alliance for Mental Health.

Your Committee finds that sepsis is a severe infection that is spread through the bloodstream and can be triggered by any kind of infection, including bacterial, viral, parasitic, and fungal infections. Since the infection can develop quickly, immediate detection and treatment are critical. Your Committee further finds that the majority of sepsis cases occur among elderly, immune-compromised, and critically ill individuals. This measure is critical for reducing incidents of sepsis, which is among the leading causes of death in the United States.

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 Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 202, 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. 202, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 3470 (Joint) Economic Development, Government Operations and Housing and Tourism on H.C.R. No. 77**

The purpose and intent of this measure is to express support for the Hawaii Food and Wine Festival and declare the Festival to be the next agricultural and culinary movement in the State.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority, Hawaii Farm Bureau, and Hawaii Ag and Culinary Alliance.

Your Committees find that the Hawaii Food and Wine Festival began in 2011 with more than eighty chefs from all over the world coming together to showcase Hawaii's incredible bounty of fresh fruits, vegetables, herbs, beef, eggs, fish, pork, coffee, honey, and more. The Festival moves Hawaii regional cuisine forward by bringing together interests in tourism, education, culture, environmentalism, and sustainability to ensure that Hawaii maintains a healthy and vibrant economy for future generations. The Festival has also put Hawaii on the world's food and wine map in a monumental way and is truly a showcase of local produce, talent, and culture.

Your Committees have amended this measure by:

- (1) Inserting language to recognize the pivotal role the Hawaii Food and Wine Festival will play in showcasing Hawaii's emerging crops, with the idea that emerging crops may be incorporated as themes that all participating chefs can promote during each festival; and
- (2) 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 Economic Development, Government Operations and Housing and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 77, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 77, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Baker, English).

Tourism

Ayes, 3. Noes, none. Excused, 2 (Kahele, Ihara).

**SCRep. 3471 Water and Land on H.C.R. No. 170**

The purpose and intent of this measure is to urge the Department of Land and Natural Resources to adopt rules to manage manta ray dive sites.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Ocean Wings Hawaii, Inc.; Jacks Diving Locker; and two individuals.

Your Committee finds that the manta ray night dive is a popular activity in West Hawaii, and visitors visit Hawaii Island for the purpose of participating in this activity. These dives occur at specific locations where manta rays are known to frequent. The popularity of this activity has grown over the years, and now there are many boats, kayaks, stand up paddle boarders, swimmers, divers, snorkelers, and other recreational and commercial users present at these sites at the same time, creating a potentially dangerous situation.

Your Committee further finds that if an accident occurs, it would be not only tragic but also harmful to the diving industry, and a potential liability to the State. Ensuring the safety of workers, visitors, and manta rays and ensuring a good visitor experience are in the best interest of the health and safety of the general public as well as the manta rays.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 170, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Ihara, Taniguchi, Thielen).

**SCRep. 3472 (Joint) Energy and Environment and Agriculture on H.C.R. No. 47**

The purpose and intent of this measure is to request the Hawaii Department of Agriculture and United States Department of Agriculture to take administrative actions to protect ōhia and other *Myrtaceae* family plants from the destructive rust fungus, *Puccinia psidii*.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, Office of Hawaiian Affairs, The Nature Conservancy, Hawaii Farm Bureau, Hawaii Floriculture and Nursery Association, and Coordinating Group on Alien Pest Species.

Your Committees find that approximately eighty percent of the native forest in Hawaii is comprised of ōhia, which is an ecologically, culturally, and economically important plant species. Although the single, distinct strain of *Puccinia psidii* established in Hawaii has not severely affected ōhia, scientific analysis has shown that other strains of *Puccinia psidii* known to exist in other locations can have a particularly virulent impact on ōhia plants. A recent economic analysis revealed that the local Eucalyptus industry and nursery industry in Hawaii could be substantially damaged by the introduction of additional *Puccinia psidii* strains. If even one more genetic strain reaches Hawaii, the results could be devastating to the structure, composition, and function of native forests as well as to the horticultural and agricultural industries that involve *Myrtaceae* plants.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 47, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Agriculture

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Thielen).

**SCRep. 3473 Judiciary and Labor on Gov. Msg. No. 643**

Recommending that the Senate advise and consent to the nomination of the following:

**COMMISSION TO PROMOTE UNIFORM LEGISLATION**

G.M. No. 643 ELIZABETH KENT, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Elizabeth Kent to possess the requisite qualifications to be nominated to serve on the Commission to Promote Uniform Legislation.

Your Committee received testimony in support of the nomination of Elizabeth Kent from the Department of the Attorney General; Retired Associate Justice James Duffy, Supreme Court of the State of Hawaii; and six individuals.

Ms. Kent obtained a Bachelor of Arts degree, Magna Cum Laude, from the University of Colorado. She subsequently received her Doctorate of Jurisprudence from the William S. Richardson School of Law, where she served as a member of Law Review and the Moot Court Honors Board and received the Am Jur Award for Contracts. In November 2013, she retired as the Director of the Hawaii Judiciary's Center for Alternative Dispute Resolution, which was a position she held since 1996. Prior to her position as Director, she worked as a Research Analyst with the Center from 1994 to 1996. Between 2001 and 2002, she took a leave of absence from her work with the Center to serve as the Deputy Director of the Department of Human Services. She also previously served as an Associate with the law firm of Paul, Johnson, Park & Niles, concentrating her practice in all aspects of commercial litigation. Ms. Kent previously served as a lecturer at the University of Hawaii, teaching graduate and undergraduate courses in business law; as a Staff Attorney with the United States Court of Appeals for the Ninth Circuit; and as a Law Clerk for the United States Court of Appeals for the Second Circuit.

Ms. Kent is an active participant in the community, serving on the Board of Directors of the Hawaii Chapter of the Hawaii Association of Conflict Resolution, Board of Directors of the Policy Consensus Initiative, Board of Directors of the Legal Aid Society of Hawaii, Supreme Court Committee on Judicial Performance Evaluation, and Board of Directors of the Hawaii Institute for Continuing Legal Education, which she served on as President. She is the recipient of several awards, including the Mahalo Award, Lawyer as Problemsolver, and Improved Justice Award from the Mediation Center of the Pacific, Reverend King Peacemaker Award from the Church of the Crossroads, and Rhoda Lewis Award from Hawaii Women's Legal Foundation. Finally, she is the published author of alternative dispute resolution articles in various law reviews, legal publications, and periodicals.

Ms. Kent has served as a Commissioner on the Commission to Promote Uniform Legislation (Commission) since 1988 and has actively attended and participated in the meetings of the Commission and National Uniform Law Commission. She has served as a member of the National Conference's Standby Committee on a Uniform Collaborative Law Act; Study Committee on Family Law Arbitration; Study Committee on a Model Veterans Court Act; Study Committee on Firearms Information; Joint Study Committee on Harmonization of the Law of Canada, Caribbean Nations, and the United States Concerning Registration of Foreign Judgments; and Drafting Committee on a Home Foreclosure Procedures Act. She also performed research and drafting on the Home Foreclosure Procedures Act and wrote an article on the activities of the Commission for the Hawaii State Bar Association Journal.

Testimony in support of the nominee indicates that Ms. Kent is a hardworking, conscientious, and dedicated Commissioner and possesses the intellectual acumen and personable demeanor that make her highly effective in accomplishing the goals of the Commission and National Uniform Law Commission. She brings to the Commission her institutional knowledge and skills that she developed as the Director of the Center for Alternative Dispute Resolution.

Accordingly, based on the testimony submitted, your Committee finds that Elizabeth Kent is exceptionally qualified to continue to serve on the Commission to Promote Uniform Legislation. The nominee's professional experience will serve the Commission and public well.

As affirmed by the record of votes of the members of your Committee on Judiciary and 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, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 3474      Judiciary and Labor on Gov. Msg. No. 644**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 644    AMY MONK, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Amy Monk to possess the requisite qualifications to be nominated to the Commission on the Status of Women.

Your Committee received testimony in support of the nomination of Amy Monk from the Department of Human Services, Hawaii State Commission on the Status of Women, Patsy T. Mink Political Action Committee, Hawaii State Democratic Women's Caucus, Hawaii Women's Coalition, and three individuals.

Ms. Monk obtained her Bachelor of Arts in Journalism and English Literature from the University of Hawaii. She had a notable career with the Foreign Service of the United States Department of State from 1978 to 2005. As a Management Officer, she performed regional contract solicitation and negotiation in Japan, where she supervised foreign national professionals, managed Asia and Pacific embassy property, and performed crisis management and emergency planning. She previously served as a Human Resources Officer, where her duties included classifying positions, recruiting, performing personnel problem solving, negotiation, and applying federal regulation and foreign labor law. She also acted as a Political and Public Diplomacy Officer, where she analyzed and reported developments in United States-Japan bilateral relations, monitored Russian media, and produced media products for use overseas.

Ms. Monk has also performed extensive community service, serving as a Hawaii Kai Neighborhood Board member, an AARP Foundation Tax Aide, and a Board Member with Planned Parenthood of Hawaii. She also served as the Vice Chair of the Oahu County Community Democratic Party of Hawaii, as the District Chair of the Hawaii Kai Democratic Party, as a member of the Patsy T. Mink Political Action Committee, and with the Women's Caucus of the Democratic Party of Hawaii.

Testimony in support of the nominee indicates that Ms. Monk is committed to advancing the status of girls and women in Hawaii. For example, during her first term with the Commission on the Status of Women, she highlighted the serious issue of sexual violence against female students at the University of Hawaii and helped organize a working group to provide input for University campus policies on sexual assault, campus violence, and student safety. Furthermore, she met with University officials to educate them on the new reporting requirements of Title IX, the Reauthorization of the Violence Against Women Act, and the Clery Act. Ms. Monk's extensive professional foreign service experience brings an international perspective to the Commission on the Status of Women, and her community service and advocacy for issues concerning women will be valuable assets to the Commission.

Accordingly, based on the testimony submitted, your Committee finds that Amy Monk is exceptionally qualified to continue to serve on the Commission on the Status of Women. The nominee's professional experience will serve the Commission and public well.

As affirmed by the record of votes of the members of your Committee on Judiciary and 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, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 3475 Judiciary and Labor on Gov. Msg. No. 645**

Recommending that the Senate advise and consent to the nomination of the following:

LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD

G.M. No. 645 DANNY VASCONCELLOS, for a term to expire 6-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Danny Vasconcellos to possess the requisite qualifications to be nominated to the Labor and Industrial Relations Appeals Board.

Your Committee received testimony in support of the nomination of Danny Vasconcellos from the Department of Labor and Industrial Relations; State of Hawaii Organization of Police Officers; United Public Workers, AFSCME Local 646, AFL-CIO; Hawaii State AFL-CIO; International Union of Elevator Constructors, Local 126; Laborers' International Union of North America, Local 368; International Brotherhood of Electrical Workers, Local Union 1357; International Longshore and Warehouse Union Local 142; Hawaii Regional Council of Carpenters; University of Hawaii Professional Assembly; Hawaii State Teachers Association; Hawaii Injured Workers Association; Work Injury Medical Association of Hawaii; Hawaii Association for Justice; Workers' Compensation Section, Hawaii Association for Justice; and sixty-three individuals.

Mr. Vasconcellos received his Bachelor's degree in Business Administration from the University of Hawaii at Manoa and subsequently obtained his Doctorate of Jurisprudence from the William S. Richardson School of Law at the University of Hawaii. He currently manages and owns a solo law practice, where he specializes in the fields of workers' compensation and labor. Prior to his solo practice, he was a Partner at Takahashi, Vasconcellos, and Covert, Attorneys at Law, where he provided legal services to clients from public and private sector unions and the non-union workforce.

Testimony in support of the nominee indicate that due to his twenty-six years of experience in workers' compensation and labor laws, Mr. Vasconcellos possesses a strong understanding and experience in workers' rights as well as the rights of employers. He has experience in working with injured workers, defense attorneys, insurance adjusters, medical professionals, insurance professionals, vocational rehabilitation professionals, and labor unions. As a labor attorney, he has handled a large variety of labor cases, including a significant number of appeals before the Labor and Industrial Relations Appeals Board, which has provided him with intimate knowledge and first-hand experience with the Board. He is characterized as a tough advocate when representing his clients but is able maintain a sense of balance that is based on an understanding of the legislative intent behind workers' compensation and labor laws.

Accordingly, based on the testimony submitted, your Committee finds that Danny Vasconcellos is exceptionally qualified to serve on the Labor and Industrial Relations Appeals Board. The nominee's professional experience will serve the Board and public well.

As affirmed by the record of votes of the members of your Committee on Judiciary and 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, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 3476 Higher Education on Gov. Msg. No. 675**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

G.M. No. 675 DAVID DUFFY, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds David Duffy to possess the requisite qualifications to be nominated to the Board of Directors of the Research Corporation of the University of Hawaii (RCUH).

Your Committee received testimony in support of the nomination of David Duffy from six individuals.

Your Committee finds that David Duffy received his Bachelor of Arts degree in Biology from Harvard University. He went on to receive his Doctorate of Philosophy in Population Biology from Princeton University.

Dr. Duffy has been a Professor of Botany at the University of Hawaii at Manoa since 1998. He also serves as a Graduate Professor of Zoology and Graduate Professor of Ecology, Evolution, and Conservation Biology. Dr. Duffy is also the Unit Leader of the Pacific Cooperative Studies Unit and Director of the Hawaiian Pacific Island Cooperative Ecosystem Studies Unit.

Since 1998, Dr. Duffy has been awarded approximately nine hundred eighty grants and cooperative projects with state, federal, and private agencies, and these grants and cooperative projects total over \$150,000,000. He currently has over three hundred RCUH employees working on several hundred projects. Most of Dr. Duffy's projects are management driven ecological and natural resource research and monitoring projects that are of tremendous benefit to Hawaii and its natural environment.

Dr. Duffy is also active with the University of Hawaii Association of Research Investigators, which has served as an excellent sounding board for new initiatives at RCUH.

Dr. Duffy is currently the President of the University of Hawaii Professional Assembly, a position he will hold until 2015.

Your Committee finds that Dr. Duffy's tremendous amount of experience, as well as his keen understanding of the importance of research to the State's economy and the role of RCUH, will greatly benefit the Board of Directors of RCUH.

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 (Ige, Kidani, Tokuda).

**SCRep. 3477 Higher Education on H.C.R. No. 12**

The purpose and intent of this measure is to request the University of Hawaii to report on the status of its Title IX of the Education Amendment Act of 1972 (Title IX) and the Violence Against Women Reauthorization Act of 2013 (VAWA) policies, procedures, staffing, and statistics.

Your Committee received testimony in support of this measure from the University of Hawai'i System, Community Alliance on Prisons, The Sex Abuse Treatment Center, and Hawaii Women's Coalition.

Your Committee finds that this measure seeks to ensure that the University of Hawaii System is fully committed to following the tenets of Title IX and VAWA and increasing resources and strengthening the institutional infrastructure at all its campuses to more effectively address and prevent sexual violence and other forms of gender violence and discrimination.

Your Committee has amended this measure by:

- (1) Amending its title to read: "REQUESTING THE UNIVERSITY OF HAWAII TO AFFIRM ITS COMMITMENT TO UPHOLDING THE TENETS OF TITLE IX OF THE EDUCATION AMENDMENT ACT OF 1972 AND THE VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT 2013 AND THE UNIVERSITY OF HAWAII'S DEDICATION TO ENDING ALL FORMS OF SEXUAL VIOLENCE ON HAWAII CAMPUSES THROUGH A REPORT ON THE STATUS OF TITLE IX OF THE EDUCATION AMENDMENT ACT OF 1972 AND VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT 2013 POLICIES, PROCEDURES, STAFFING, AND STATISTICS.";
- (2) Adding each Chancellor on the Council of Chancellors of the University of Hawaii System to the list of individuals requested to receive a certified copy of this measure; 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 H.C.R. No. 12, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as H.C.R. No. 12, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

**SCRep. 3478 Hawaiian Affairs on Gov. Msg. No. 646**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANAI

G.M. No. 646 KAHELEONALANI DUKELOW, for a term to expire 6-30-2015

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Kahaieonalani Dukelow to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council, Islands of Maui and Lanai, as a Honuaula representative.

Your Committee received testimony in support of the nomination of Kahaieonalani Dukelow from the Department of Land and Natural Resources and one individual.

Ms. Dukelow earned her Bachelor's degree in Hawaiian Studies and her Master's degree in Teaching from the University of Hawaii at Manoa. Since then, she has taught in various capacities in many schools throughout the State, including as a seventh and eighth grade teacher at Kula Kaiapuni 'O Waiau, as a Hawaiian Studies Instructor at the University of Hawaii at Manoa, and as a Hawaiian Language Arts and Literature Teacher at Kula Kaiapuni 'O Anuenue. She is currently an Assistant Professor in Hawaiian Studies and Language at Maui Community College. She is also the Director of the Ho'okahua Student Study Center mentorship project for Hawaiian students, the Vice President of the Maui Hawaiian Language Immersion Advocacy Group, and a member of the State Department of Education's Strategic Plan for Hawaiian Language Immersion Committee. Ms. Dukelow is well-known and respected in her community as an advocate for perpetuating and preserving native Hawaiian culture and traditions and is ideally suited to serve on the Island Burial Council, Islands of Maui and Lanai.

As affirmed by the record of votes of the members of your Committee on 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, 3. Noes, none. Excused, 2 (Galuteria, Kidani).

**SCRep. 3479 Hawaiian Affairs on Gov. Msg. No. 700**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 700 DAVID KAAPU, for a term to expire 6-30-2017

Your Committee has reviewed the personal history and resume submitted by the nominee and finds David Kaapu to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Hawaiian Homes Commission as a West Hawaii representative.

Your Committee received testimony in support of the nomination of David Kaapu from the Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Kuakini Hawaiian Civic Club, and seven individuals.

Mr. Kaapu earned a Bachelor's degree in Anthropology from the University of Hawaii and a Juris Doctorate from Santa Clara University. For more than twenty years, he has been a solo practitioner of law in Kailua-Kona with a focus on Business Law, Trusts and Estates, Land Use Law, Quiet Title, and general litigation. He has served on the Board of the Hawaii State Bar Association and also as the Vice President and President of the West Hawaii Bar Association. He currently serves as a Director for the Hawaii Health Systems Corporation for the West Hawaii Region and the Agricultural Leadership Foundation of Hawaii. Mr. Kaapu is a well-respected member of the community with a wealth of professional experience that will be an asset to the Hawaiian Homes Commission.

As affirmed by the record of votes of the members of your Committee on 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, 3. Noes, none. Excused, 2 (Galuteria, Kidani).

**SCRep. 3480 Higher Education on Gov. Msg. Nos. 676, 677, 678, 679, 680, 681, and 682**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

- G.M. No. 676 JOHN ANDERSON, for a term to expire 6-30-2017;
- G.M. No. 677 JANICE BOND, for a term to expire 6-30-2017;
- G.M. No. 678 DENNIS DUNN, for a term to expire 6-30-2017;
- G.M. No. 679 LISA DUNN, for a term to expire 6-30-2017;
- G.M. No. 680 PATRICIA MASTERS, for a term to expire 6-30-2017;
- G.M. No. 681 DARIN SHIGETA, for a term to expire 6-30-2017; and
- G.M. No. 682 CHARLOTTE TOWNSEND, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds John Anderson, Janice Bond, Dennis Dunn, Lisa Dunn, Patricia Masters, Darin Shigeta, and Charlotte Townsend to possess the requisite qualifications to be nominated to the Hawaii Commission for National and Community Service.

JOHN ANDERSON

Your Committee received testimony in support of the nomination of John Anderson from the Hawaii Commission for National and Community Service.

Your Committee finds that Dr. Anderson received a Bachelor of Arts degree in Psychology from San Francisco State University. He received a Master of Education degree in Counseling and Guidance and a Doctor of Philosophy degree in Education from the University of Hawaii at Manoa. Dr. Anderson was a school counselor with the Department of Education from 1989 until his retirement in 2010.

Dr. Anderson has volunteered in many different capacities throughout his life with organizations such as the East-West Center, University of Hawaii International Student Services program, and the Elks Club.

Dr. Anderson also has experience as a grant writer and a project manager, and his understanding of the grant process and evaluation of grant proposals will continue to assist him in his role as a Commissioner.

JANICE BOND

Your Committee received testimony in support of the nomination of Janice Bond from the Hawaii Commission for National and Community Service, County of Kauai Office of the Prosecuting Attorney, and two individuals.

Your Committee finds that Ms. Bond is a retired teacher. She taught Gifted and Talented English, speech, and journalism at Kauai and Kapaa High Schools and served as a Core Curriculum Coordinator. Since her retirement, Ms. Bond has kept active by continuing to volunteer in her community. She has served as the AARP Volunteer Team Leader for the island of Kauai, past Board member of the American Cancer Society, Arthritis Walk Volunteer Chair, East Kauai Lions Club member, and Kauai representative to the Read to Me International Foundation.

Ms. Bond currently serves on the Hawaii Commission for National and Community Service and previously served from 2005 to 2008. Ms. Bond attended the National Conference on Volunteerism in 2008. In 2009, Ms. Bond was named the Kauai Female Senior Volunteer of the Year and the Hawaii Retired Teacher Association-Kauai District/Hawaii Education Association/National Education Association Retired Teacher Volunteer of the Year.



Ms. Bond's top priority for the Hawaii Commission for National and Community Service is to encourage community service and volunteer participation in government and private programs, as well as to help promote and bring greater awareness to the Commission and its work.

Ms. Bond's enthusiasm and commitment to volunteerism make her invaluable to the Hawaii Commission for National and Community Service, and her continued service will help the Commission in fulfilling its mission.

#### DENNIS DUNN

Your Committee received testimony in support of the nomination of Dennis Dunn from the Hawaii Commission for National and Community Service.

Your Committee finds that Mr. Dunn is the Director of the Victim Witness Assistance Division of the City and County of Honolulu Department of the Prosecuting Attorney.

Mr. Dunn has an extensive history of community service. He has been a Board member of the Domestic Violence Task Force, Hawaii State Coalition Against Domestic Violence, Hawaii Supreme Court Committee on Certification of Court Interpreters, and Kailua Neighborhood Board.

Mr. Dunn is a current member of the Hawaii Commission for National and Community Service and is the past Chair of the Commission. He first served on the Commission from its inception in 1994 until 2009.

Mr. Dunn's lifelong dedication to public service and community building continue to make him a great asset to the Commission.

#### LISA DUNN

Your Committee received testimony in support of the nomination of Lisa Dunn from the Hawaii Commission for National and Community Service.

Your Committee finds that Ms. Dunn is currently an Instructor on Victims and the Criminal Justice System at Hawaii Pacific University. Ms. Dunn has previously served as the Hawaii and American Samoa Anti-Trafficking Services Project Coordinator for The Salvation Army, where she was responsible for developing, coordinating, and delivering services for human trafficking victims. She has also served as a Program Director for Child and Family Services and the Director of Operations of Waikiki Health Center. Ms. Dunn was also the Volunteer and Program Director for the Hawaiian Humane Society.

Ms. Dunn's background in human services has given her the opportunity to see the critical role that volunteers and individuals can have in delivering services to communities. Ms. Dunn has experience managing volunteers and understands what it takes to motivate individuals and promote the effective use of volunteers and community service program members.

Ms. Dunn is currently a member of the Hawaii Commission for National and Community Service, and her experience, garnered through years of working and volunteering in the non-profit community, continue to provide her with the knowledge and expertise necessary to benefit the Commission.

#### PATRICIA MASTERS

Your Committee received testimony in support of the nomination of Patricia Masters from the Hawaii Commission for National and Community Service.

Your Committee finds that Dr. Masters received her Bachelor of Arts degree and her Master of Arts degree from the University of California, Los Angeles. Dr. Masters received her Doctor of Philosophy in Political Science from the University of Hawaii at Manoa. She is currently the Associate Director of the Student Equity, Excellence, and Diversity Program at the University of Hawaii at Manoa.

Dr. Masters previously served on the Hawaii Commission for National and Community Service as the Commission's first Chair from 1994 to 1996.

Dr. Masters' current and previous experience as a member and Chair of the Hawaii Commission for National and Community Service, as well as her background in community organizing and grant writing, continues to provide her with the expertise to ensure another successful term as a Commissioner.

#### DARIN SHIGETA

Your Committee received testimony in support of the nomination of Darin Shigeta from the Hawaii Commission for National and Community Service.

Your Committee finds that Mr. Shigeta received his Bachelor of Arts degree from Claremont McKenna College. He also received a Master of Business Administration degree from the University of Hawaii at Manoa. Mr. Shigeta is currently a Business Banking Manager with Bank of Hawaii. Prior to holding that position, he was a Business Banking Officer with Bank of Hawaii.

Mr. Shigeta is the President of the Board of Directors of the Kalihi Business Foundation, where he provides input on the Foundation's activities, grant initiatives, and projects. He is also the past President of the Board of Directors of the Kalihi Business Association. Mr. Shigeta has also volunteered with the Hawaii Pacific Tennis Foundation and the Honolulu Japanese Junior Chamber of Commerce.

Mr. Shigeta has been a valuable leader in supporting volunteerism as an important way to fill the gaps in all service areas. As a member of the Hawaii Commission for National and Community Service, Mr. Shigeta brings a private sector perspective on resource allocation and prioritization, and your Committee finds that the Commission will continue to benefit from his membership.

CHARLOTTE TOWNSEND

Your Committee received testimony in support of the nomination of Charlotte Townsend from the Hawaii Commission for National and Community Service and two individuals.

Your Committee finds that Ms. Townsend is currently the Program and Policy Development Supervisor for the Disability and Communication Access Board. She is responsible for the dissemination of information on community resources for persons with disabilities and serves as a trainer and lecturer on civil rights legislation such as the Americans with Disabilities Act, Rehabilitation Act, Air Carriers Access Act, and Federal Fair Housing Act.

As a current member of the Commission, Ms. Townsend brings a wealth of knowledge on disability-related issues to help augment the Commission's efforts to be more inclusive of diverse populations, including persons with disabilities, as participants and beneficiaries of volunteer services.

Ms. Townsend is a passionate advocate for the full participation of persons with disabilities in all facets of the community, and she brings her unique perspective to the Hawaii Commission for National and Community Service.

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 (Ige, Kidani, Tokuda).

**SCRep. 3481 Higher Education on Gov. Msg. Nos. 683, 684, 685, 686, and 687**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII MEDICAL EDUCATION COUNCIL

G.M. No. 683 VICKI MCMANUS, for a term to expire 6-30-2017;

G.M. No. 684 KENNETH ROBBINS, for a term to expire 6-30-2017;

G.M. No. 685 SHARON VITOUSEK, for a term to expire 6-30-2017;

G.M. No. 686 ALLEN HIXON, for a term to expire 6-30-2017; and

G.M. No. 687 WILLIAM DUBBS, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Vicki McManus, Kenneth Robbins, Sharon Vitousek, Allen Hixon, and William Dubbs to possess the requisite qualifications to be nominated to the Hawaii Medical Education Council.

VICKI MCMANUS

Your Committee did not receive testimony on the nomination of Vicki McManus.

Your Committee finds that Ms. McManus received a Bachelor's degree in Food Science and Nutrition from San Francisco State University.

Ms. McManus is currently the Manager of Millberry Creek, LLC, a real estate management company that manages long-term and vacation rental properties. She is also a Partner in Palm Records, Inc., which provides business and technical support to other small businesses in the record industry. She is also a Trustee of the DeDomenico Trust, managing the Trust's real estate holdings.

As a resident of the Island of Hawaii, Ms. McManus has first-hand experience with the shortage of physicians in rural areas. Ms. McManus is a strong proponent of physician training and residency programs on the neighbor islands.

Ms. McManus' business and entrepreneurial background will continue to provide the Hawaii Medical Education Council with a perspective that is different and unique from most other Council members in the health care field.

KENNETH ROBBINS

Your Committee did not receive testimony on the nomination of Kenneth Robbins.

Your Committee finds that Dr. Robbins received a Bachelor's degree in Biology from Stanford University. He received his Medical Doctor degree from the University of California at San Diego School of Medicine.

Dr. Robbins is currently the Executive Vice President and Chief Medical Officer of Hawaii Pacific Health. Prior to his administrative career, Dr. Robbins was a full-time practicing pediatrician at Straub Clinic and Hospital. He previously held a full-time position on the Pediatric Faculty at the University of Hawaii John A. Burns School of Medicine and continues to teach pediatric residents as an Associate Clinical Professor of Pediatrics.

In his position with Hawaii Pacific Health, Dr. Robbins is directly responsible for overseeing the recruitment of physicians for Hawaii Pacific Health's hospitals and medical groups. He has been active in physician recruitment activities in Hawaii for the last ten years.

Dr. Robbins' experience and knowledge relating to physician recruitment and medical education and residency, as well as his clinical and management experience, make him an ideal member of the Hawaii Medical Education Council.

SHARON VITOUSEK

Your Committee did not receive testimony on the nomination of Sharon Vitousek.

Your Committee finds that Dr. Vitousek received a Bachelor of Arts degree in Political Science from Williams College. She received her Medical Doctor degree from the University of Hawaii John A. Burns School of Medicine.

Dr. Vitousek is the North Hawaii Outcomes Project Director for the Earl and Doris Bakken Foundation. Prior to this, Dr. Vitousek served as the Medical Director of Hawaii Health Information Corporation and as a physician in private practice. Dr. Vitousek has also served as a faculty member at the John A. Burns School of Medicine and as an Attending Physician at The Queen's Medical Center.

Dr. Vitousek is a founding board member of the North Hawaii Community Hospital, helping to obtain millions of dollars in grant monies to establish the hospital. She is also a founding board member of North Hawaii Women and Children's Services (now known as Hawaii Learning Resource), whose mission is to increase access for local students and professionals to recent advancements in identifying, assessing, and effectively supporting local students with learning differences.

Dr. Vitousek has been a community leader on the Island of Hawaii in the areas of access to medical care and addressing the physician and health provider shortage. She is a strong proponent of providing training and residency programs on the neighbor islands. Her knowledge in the area of graduate medical education in rural areas continues to make her a valuable asset to the Hawaii Medical Education Council.

ALLEN HIXON

Your Committee received testimony in support of the nomination of Allen Hixon from three individuals.

Your Committee finds that Dr. Hixon received his Bachelor of Arts degree in Sociology/Anthropology from Middlebury College. He received his Master of Arts degree in International Training from the School of International Service at American University. Dr. Hixon went on to receive his Doctor of Medicine from the University of Connecticut.

Dr. Hixon has had a long career as a medical doctor since earning his Doctor of Medicine in 1994. He is currently the Chair of the Department of Family Medicine and Community Health at the University of Hawaii John A. Burns School of Medicine. He also serves as an Associate Professor. He previously served as the Residency Director of the Family Medicine Residency Program at the University of Hawaii John A. Burns School of Medicine.

Dr. Hixon has been awarded a number of grants relating to health care and community medicine and has worked with the Legislature to provide funding to develop a statewide health care rural training network and to support the residency program at the Department of Family Medicine and Community Health at the University of Hawaii John A. Burns School of Medicine to help address the severe shortage of primary care health providers in the State.

Dr. Hixon's experience and involvement in medical education from the perspective of a health care provider and as the former Residency Director of the Family Medicine Residency Program at the University of Hawaii John A. Burns School of Medicine will make him an asset to the Hawaii Medical Education Council.

WILLIAM DUBBS

Your Committee did not receive testimony on the nomination of William Dubbs.

Your Committee finds that Dr. Dubbs received his Bachelor of Arts degree from Phillips University. He went on to receive his Master of Science degree from Oklahoma State University. He received his Doctor of Medicine from the University of Nebraska.

Dr. Dubbs began his medical career as an Intern with the Naval Hospital in San Diego, California. He went on to serve as a General Surgery Resident and Cardiothoracic Surgery Resident at the Naval Hospital in San Diego. He also served as a Fellow in Cardiothoracic Surgery at the University of California, San Diego.

Dr. Dubbs also served as a surgeon in private practice in San Diego and Oklahoma. He was also the Medical Director of the Cherokee National Indian Clinic and Director of the Cookson Hills Rural Health Clinic, both in Oklahoma.

Dr. Dubbs is currently the Chief of Staff at the Veterans Affairs Pacific Island Health Care System.

Dr. Dubbs' varied experience as a doctor with the Navy, in private practice, with Indian and rural health care, as well as with veterans, provide him with a unique perspective in helping the Hawaii Medical Education Council fulfill its mission.

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 (Ige, Kidani, Tokuda).

**SCRep. 3482 Ways and Means on H.C.R. No. 48**

The purpose and intent of this measure is to request that the Public Policy Center in the College of Social Sciences at the University of Hawaii at Manoa convene a task force to develop recommendations for the establishment of a regulated statewide dispensary system for medical marijuana to provide qualifying patients with safe and legal access to medical marijuana.

Your Committee received written comments in support of this measure from The Mestizo Association. The Legislative Reference Bureau and the Department of the Prosecuting Attorney of the City and County of Honolulu submitted written comments on the measure.

Your Committee finds that through Act 228, Session Laws of Hawaii 2000, the Legislature established a state medical use of marijuana law to provide medical relief for seriously ill individuals in the State. Your Committee also finds that many of the State's nearly thirteen thousand qualifying patients are unable to obtain or grow their own supply of medical marijuana. Your Committee believes that a regulated statewide dispensary system for medical marijuana would benefit qualifying patients in the State by enabling them to obtain an inspected, safe supply of medical marijuana.

Your Committee has amended this measure by adding the Prosecuting Attorney of the City and County of Honolulu, or the Prosecuting Attorney's designee, to the membership of the task force.

As 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. 48, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 48, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, Dela Cruz, Kouchi, Tokuda, Slom).

**SCRep. 3483 Ways and Means on H.C.R. No. 136**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged and reclaimed (filled) lands for maintenance, repair, replacement, and removal of an existing seawall and rubble rock revetment.

Your Committee received no written comments on this measure.

Your Committee finds that a seawall and rubble rock revetment encumber an area of approximately 2,387 square feet on certain property located at Waiohuli-Keokea Homesteads, Kihei, Maui, a portion of which is state submerged lands. Your Committee further finds that on June 10, 2010, the Board of Land and Natural Resources granted an amended approval for a fifty-five year term, non-exclusive easement to O. Joachim Granzow and Inge J. Granzow, trustees of the O. Joachim Granzow and Inge Granzow Family Trust; Joachim Wilhelm Granzow; and Christian Lars Granzow. Your Committee finds that the adoption of this measure will satisfy the requirement of section 171-53, Hawaii Revised Statutes, providing for legislative authorization by concurrent resolution prior to the leasing of state submerged lands.

As 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. 136, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, Dela Cruz, Tokuda, Slom).

**SCRep. 3484 Ways and Means on H.C.R. No. 238**

The purpose and intent of this measure is to ensure that proper training, support, and educational accommodations are available for children in Hawaii who are deaf or severely hard of hearing.

Specifically, this measure requests the Superintendent of Education and the Director of Health to convene a working group to assess whether deaf and severely hard of hearing children using aural or oral communication receive proper training, support, and educational accommodations required by federal law. This measure also requests the working group to review the:

- (1) Transition process from the Department of Health to the Department of Education for the purposes of following the progress of deaf and severely hard of hearing children;
- (2) Recruitment process for properly trained teachers;
- (3) Possibility of hiring an experienced oral speech therapy teacher to fill the gap in training during the hiring process for permanent oral therapy teachers; and
- (4) Possibility of covering the insurance cost of families who use telehealth services to receive oral speech therapy lessons.

Your Committee received written comments in support of this measure from two individuals. Written comments in opposition to this measure were received from the Hawaii School for the Deaf and the Blind Alumni Club.

Your Committee finds that proper training for very young children with hearing problems who use hearing aids or cochlear implants can help these children develop normal hearing and speaking skills. However, there may be a shortage of resources available to provide the necessary spoken language training for children with auditory problems. Your Committee finds that establishing a working group to examine whether deaf or severely hard of hearing children are receiving the proper auditory training and educational accommodations is a necessary step in fulfilling federal health care and educational requirements for children who are deaf or severely hard of hearing.

As 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. 238, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 3485 Ways and Means on H.C.R. No. 14**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term lease of fifty-five years and non-exclusive easement covering a portion of submerged and fast lands at Manele Bay on the island of Lanai for the construction and maintenance of a floating and loading dock, moorings, utilities, landscaping, and maintenance.

Your Committee received written comments in support of this measure from Pulama Lanai.

Your Committee finds that on November 8, 2013, the Board of Land and Natural Resources authorized the issuance of a fifty-five-year lease and easement by way of direct negotiation with Lanai Resorts, L.L.C., of certain submerged lands and fast lands at Manele Small Boat Harbor on the island of Lanai. Your Committee recognizes that, as a lessee, Lanai Resorts, L.L.C., would maintain the utilities, floating and loading dock, and related improvements; maintain Manele Small Boat Harbor landscaping along the roadways and ferry passenger waiting areas; and pay base rent plus a percentage of revenues. Your Committee further finds that the adoption of this measure will satisfy the requirement of section 171-53, Hawaii Revised Statutes, providing for legislative authorization by concurrent resolution prior to the leasing of state submerged lands.

As 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. 14, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, Dela Cruz, Kouchi, Tokuda, Slom).

**SCRep. 3486 Ways and Means on H.C.R. No. 40**

The purpose and intent of this measure is to recognize and designate the Hawaii Health Information Exchange as the only fully operational, statewide health information exchange operating in Hawaii.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs, the Healthcare Transformation Coordinator of the Office of the Governor, and the Hawaii Health Information Exchange.

Your Committee notes that the Hawaii Health Information Exchange is a nonprofit organization that was formed in 2006 by Hawaii's leading health care stakeholders to improve health care delivery across Hawaii through the seamless, effective, safe, and secure transmission of healthcare-related data. The Hawaii Health Information Exchange has utilized existing infrastructure to assist health care providers with the electronic exchange of patient health information through a secure mechanism in compliance with federal Health Insurance Portability and Accountability Act regulations.

Your Committee finds that the Hawaii Health Information Exchange, as the exclusive service provider designated to work with the State, has served as a conduit between health care providers and the State for public health reporting and has been successful in advancing and supporting health information exchange needs in Hawaii. There is a need for continuing this working relationship to sustain crucial services.

Your Committee further finds that the designation of the Hawaii Health Information Exchange as the only fully operational statewide health information exchange in Hawaii will encourage the continued advancement of health care transformation initiatives throughout the State, including the mutual goal of the Hawaii Health Information Exchange and the State to provide the real-time exchange of electronic patient data statewide.

As 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. 40, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, Dela Cruz, Kouchi, Tokuda, Slom).

**SCRep. 3487 Ways and Means on H.C.R. No. 202**

The purpose and intent of this measure is to request the Director of Health to convene a working group to recommend ways to reduce incidents of sepsis and sepsis deaths in the State.

Your Committee received written comments in support of this measure from the Healthcare Association of Hawaii.

Your Committee finds that sepsis is among the leading causes of death in the United States, and preventive measures are needed immediately to address this rising health problem.

As 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. 202, H.D. 1, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Tokuda, Slom).

**SCRep. 3488 Ways and Means on H.C.R. No. 110**

The purpose and intent of this measure is to request the Director of Business, Economic Development, and Tourism to establish a working group to develop standard contractual provisions for the use of state public lands for wireless telecommunication hardware devices.

This measure also requests the working group to explore ways to expedite the permit process for communication technology serving the State.

Your Committee received no written comments on this measure.

Your Committee finds that state agencies independently establish and develop protocols for the use of wireless telecommunication services, resulting in ambiguous and disparate contracts. Establishing a working group to establish a predefined framework for wireless telecommunication service provider contracts will increase government efficiency, establish revenue predictability for the State, reduce risk for all parties, and promote business.

As 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. 110, H.D. 2, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, Dela Cruz, Tokuda, Slom).

**SCRep. 3489 Ways and Means on H.C.R. No. 78**

The purpose and intent of this measure is to request the Department of Health to convene a family caregivers working group to examine and assess the role of caregiving for patients released from hospitals, the state of their overall circumstances, and the resources in the community needed and available to assist them.

In addition, this measure requests that the working group examine and assess the state of the current practice of caregiver designation, notification, involvement in discharge planning, and training and make legislative and regulatory recommendations on how best to involve caregivers in patient discharge and prepare caregivers for after-care tasks.

Your Committee received written comments in support of this measure from the Healthcare Association of Hawaii and one individual.

Your Committee finds that the role of family caregivers has greatly expanded to encompass many areas of patient care that require increased expertise and skill, such as medical and nursing tasks. This has resulted in uncertainty in defining the role of hospitals in the training of caregivers as well as the availability of community resources that may assist in training family caregivers.

Your Committee believes that this measure will provide the needed insight into the role of family caregivers, hospitals, and community resources in ensuring that family caregivers are equipped with the necessary training and skills to deliver the proper services needed for a patient's continued recovery.

As 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. 78, H.D. 1, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, Dela Cruz, Tokuda, Slom).

**SCRep. 3490 Ways and Means on H.C.R. No. 122**

The purpose and intent of this measure is to urge the Director of Health to convene a task force to assess the scope and feasibility of establishing an emergency services patient advocate program to provide assistance to, and advocate on behalf of, patients receiving emergency medical care.

Your Committee received written comments in support of this measure from the Healthcare Association of Hawaii.

Your Committee finds that a patient advocate program may contribute to effective case management, and enhance communication among patients, family members, and health care providers, in the provision of medical services in emergency room settings.

As 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. 122, H.D. 1, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, Dela Cruz, Tokuda, Slom).

**SCRep. 3491 Ways and Means on H.C.R. No. 176**

The purpose and intent of this measure is to request the State Procurement Office to conduct a study on the feasibility, necessary processes, and costs of requiring the consideration of past performance as a factor in awarding public contracts.

This measure also requests the State Procurement Office to submit its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

Your Committee received written comments on this measure from the General Contractors Association of Hawaii and the Building Industry Association.

Your Committee finds that for awards of public contracts, a contractor's past performance is only considered during the evaluation of proposals and not during other times of the award process. Your Committee further finds that a study regarding the proper consideration to be given to a contractor's past performance would facilitate an exploration of methods for the State to avoid awarding contracts to poor-performing contractors.

As 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. 176, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Tokuda, Slom).

**SCRep. 3492 Ways and Means on H.C.R. No. 121**

The purpose and intent of this measure is to request the Legislative Reference Bureau to study the feasibility of establishing the Office of Information Practices on a permanent basis, administratively attached to the Department of Accounting and General Services.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and the Office of Information Practices. The Legislative Reference Bureau submitted comments on the measure.

Your Committee finds that the Office of Information Practices was established by Act 262, Session Laws of Hawaii 1988. The Office of Information Practices administers the Uniform Information Practices Act, codified as chapter 92F, Hawaii Revised Statutes, which requires open access to government records, and the Sunshine Law, codified as chapter 92, Hawaii Revised Statutes, which requires open public meetings. Your Committee also finds that, currently, the Office of Information Practices is temporarily attached to the Office of the Lieutenant Governor for administrative purposes. Your Committee believes that finding an appropriate principal department to permanently attach the Office of Information Practices will facilitate stability and continuity in legal opinions and guidelines affecting state and county agencies, as well as promote independence from undue political influence.

As 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. 121, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, Dela Cruz, Tokuda, Slom).

**SCRep. 3493 Ways and Means on H.C.R. No. 100**

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers to provide coverage for medically necessary treatment of orofacial anomalies as proposed under H.B. No. 2522, which was introduced in the Regular Session of 2014.

Your Committee did not receive any written comments on this measure.

Your Committee finds that mandatory health insurance coverage for medically necessary treatment of orofacial anomalies, such as cleft lip or cleft palate, will substantially offset the financial hardship on families of children who require these treatments. Your Committee also recognizes that health insurance coverage for these treatments will reduce compromised reconstructive surgical outcomes and contribute to good health for children born with orofacial abnormalities.

As 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. 100, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, Dela Cruz, Tokuda, Slom).

**SCRep. 3494 Ways and Means on H.C.R. No. 66**

The purpose and intent of this measure is to request the Auditor, pursuant to section 26H-6, Hawaii Revised Statutes, to conduct a sunrise review of the regulation of veterinary technicians and the practice of veterinary technology, as proposed under Senate Bill No. 2502, S.D. 1 (2014).

The measure also requests the Auditor to submit findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the Regular Session of 2015.

Your Committee received written comments in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, the Board of Veterinary Examiners, and the Hawaii Veterinary Medical Association.

Senate Bill No. 2502, S.D. 1 (2014), proposes to establish requirements for the regulation of veterinary technicians and the practice of veterinary technology, which are currently unregulated. Your Committee believes that the establishment of registration requirements and regulations for veterinary technicians in Hawaii would improve the level of care of animals in 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 concurs with the intent and purpose of H.C.R. No. 66, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, Dela Cruz, Kouchi, Tokuda, Slom).

**SCRep. 3495 Health on H.C.R. No. 74**

The purpose and intent of this measure is to request the Auditor to conduct a sunrise review of the establishment of a system of registered dispensaries within the Department of Health to dispense medical marijuana as proposed in H.B. No. 1587, Regular Session of 2014.

Your Committee received testimony in support of this measure from the Department of Health and American Civil Liberties Union. Your Committee received comments on this measure from the Community Alliance on Prisons and Drug Policy Action Group.

Your Committee finds that establishing a system of registered dispensaries in the State to dispense medical marijuana to qualified patients and primary caregivers is critical to enable patients to access this medicine for their debilitating medical conditions. Your Committee further finds that the regulation of medical marijuana dispensaries will not only protect qualified patients who need medical marijuana for their health care needs, but will also strengthen and ensure compliance with Hawaii's Medical Use of Marijuana Law.

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. 74, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 3496 Education on Gov. Msg. Nos. 706 and 707**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EDUCATION

G.M. No. 706 DONALD HORNER, for a term to expire 6-30-2017; and

G.M. No. 707 JAMES WILLIAMS, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Donald Horner and James Williams to possess the requisite qualifications to be nominated to the Board of Education.

DONALD HORNER

Your Committee received testimony in support of the nomination of Donald Horner from the Board of Education; Hui for Excellence in Education; Kanu o ka 'Āina Learning 'Ōhana; Hawaii Association of Independent Schools; Friends of the Library of Hawai'i; Friends of Civil Rights; Castle & Cooke Hawai'i; Nursing Advocates & Mentors, Inc.; National Federation of Filipino American Association Region 12; Filipino American Citizens League; Filipino Coalition for Solidarity; Hawai'i Public Charter Schools Network; Hawaii Business Roundtable; The Salvation Army; and nineteen individuals. Your Committee received testimony in opposition to the nomination of Mr. Horner from Girl Fest Hawaii, Rainbow Family 808, Americans for Democratic Action Hawai'i, Hawaii Guerrilla Video Hui, Gay Lesbian and Transgender Caucus of the Democratic Party of Hawaii, and fifty-nine individuals. Your Committee received comments on the nomination of Mr. Horner from three individuals.

Your Committee finds that Mr. Horner received his undergraduate degree in business from the University of North Carolina. He went on to receive his Master of Business Administration degree from the University of Southern California and is an honors graduate of the Pacific Coast Banking School at the University of Washington. From 1972 to 1976, Mr. Horner served in the United States Navy, obtaining the rank of Lieutenant Commander.

Mr. Horner retired as the Chairman and Chief Executive Officer of First Hawaiian Bank. He joined First Hawaiian Bank as a Credit Analyst in 1978.

Mr. Horner serves on various boards, including serving as the Board Chair of the First Hawaiian Bank Foundation, Board member and Treasurer of Iolani School, and Board member Emeritus of Mid-Pacific Institute. He is the former Chair of the Governor's Economic Momentum Commission, Young Presidents' Organization of Hawaii, Hawaii Business Roundtable, and Hawaii Bankers Association.

Mr. Horner served on the State's Reinventing Government Task Force, which was established to examine the current operations and organization of state government and make recommendations on making state government more efficient.

Mr. Horner served as Vice Chair of the Department of Education's Interagency Working Group established under Act 51, Session Laws of Hawaii 2004. As part of the Working Group, Mr. Horner was instrumental in implementing important educational legislation and served on the Superintendent's Advisory Council.

Mr. Horner has served as the Chair of the Board of Education since 2011. His professional background provides him with an insight into strategic planning and personnel management.

Under the tenure of Mr. Horner, the newly appointed Board of Education has taken on a number of challenging issues, including but not limited to the adoption of more rigorous diploma requirements in Board of Education Policy 4540 that are aligned with the State's college and career readiness goals; successful implementation of Act 130, Session Laws of Hawaii 2011, which was a complete recodification of the State's charter school law; creation of the first ever joint Board of Education and Department of Education strategic plan to align the Board and Department's goals and overall vision and direction; and approval of a phase-in schedule to ensure that all Department of Education schools are accredited by 2019.

Through his leadership, the Board of Education increased public accessibility to the Board by holding over 400 stakeholder meetings statewide; holding over 169 committee and Board meetings since 2011; instituting chair office hours, which take place twice a month usually between 4:30 p.m. and 5:30 p.m. following Board meetings; and creating an independent hotline with an audit trail to provide opportunities for individuals to express their concerns anonymously.

Working with fellow Board of Education members, Mr. Horner has made it a priority to increase access to state public libraries by expanding hours of operation to include weekend hours; improve the Board of Education's student representation selection process to increase the student voice by supporting the participation of students from all forty-four high schools; approve the revision of Hawaiian education program policies to ensure that the related constitutional and statutory mandates are appropriately effected; and implement and manage the risk assessment of the Department of Education and the Board of Education's resulting audit plan, specifically creating a committee to proactively investigate and address audit-related findings.

Much of the testimony in opposition to Mr. Horner centered around his affiliation with New Hope Diamond Head as a Pastor, as well as concerns regarding public accessibility to Board of Education members and the Board's meetings. Your Committee engaged Mr. Horner in a full discussion on the issues and concerns raised, and upon completion, indications were clear that steps were continuously taken to improve the transparency and accessibility of the Board of Education. Mr. Horner reiterated that while he has never attempted to hide his religious affiliation, he made clear that he has never imposed it upon our school system through his position on the Board of Education or in Board policy.

Mr. Horner's value of education, strong financial and managerial expertise, and leadership continue to be invaluable assets to the Board of Education. Mr. Horner's background continues to provide him with the skills and experiences necessary to oversee an organization as complex and large as Hawaii's public school system.

JAMES WILLIAMS

Your Committee received testimony in support of the nomination of James Williams from the Board of Education, Hui for the Excellence in Education, Friends of the Library of Hawai'i, and three individuals.



Your Committee finds that Mr. Williams received his Bachelor of Arts degree from Drake University. From January 2010 to May 2010, Mr. Williams served as the Interim Executive Director of the Hawaii State Teachers Association where he was responsible for, among other things, directing collective bargaining contract negotiations for Hawaii's public school teachers.

From 2004 to 2009, Mr. Williams was the Administrator and Chief Executive Officer of the Hawaii Employer-Union Health Benefits Trust Fund, where he was responsible for administering benefits for approximately 180,000 state employees, retirees, and dependents.

In 1994, Mr. Williams founded the Royal State Learning Foundation (formerly Royal State Trust), a non-profit foundation focused on the transformation of Hawaii's education system. Mr. Williams also founded Voyager Public Charter School in Honolulu. He has experience dealing with all aspects of school administration, including facilities and financial needs. Mr. Williams has served as the Chair of the Voyager Charter School Local School Board and is currently the Board's Vice Chair. He is also the Chair of the Board of the Voyager School Foundation.

Mr. Williams also spent eleven years as a Social Studies teacher at Kaunakakai School and Molokai High and Intermediate School.

Mr. Williams has been a member of the Board of Education since 2011. During this time, he has served on the Board of Education's Finance and Infrastructure Committee, Student Achievement Committee, Audit Committee, and Human Resources Committee.

As the Chair of the Human Resources Committee, Mr. Williams has provided leadership in developing a strategic plan for staff success; drafting Board policies on performance, evaluation, and pay; and adopting and implementing a comprehensive evaluation process for the Superintendent of Education and State Librarian.

Mr. Williams brings a unique and varied background in education, administration, and business to the Board of Education, and he continues to contribute his high level of knowledge and professionalism to the Board of Education.

As affirmed by the records of votes of the members of your Committee on 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, 1 (Ruderman).

**SCRep. 3497 Water and Land on Gov. Msg. Nos. 504 and 505**

Recommending that the Senate advise and consent to the nominations of the following:

LAND USE COMMISSION

G.M. No. 504 AARON MAHI, for a term to expire 6-30-2014; and

G.M. No. 505 AARON MAHI, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Aaron Mahi to possess the requisite qualifications to be nominated to the Land Use Commission.

Your Committee received testimony in support of the nomination of Aaron Mahi from the Department of Business, Economic Development & Tourism; Office of Planning; Ko'olaupoko Hawaiian Civic Club; Pearl Harbor Hawaiian Civic Club; Ko'olau Foundation; and one individual.

Aaron Mahi received a Bachelor of Arts degree in Music Education from the University of Hartford. He also completed Orchestral Conducting at the University of Loma Linda. Mr. Mahi is currently an Assistant Cultural Specialist with the Partners in Development Foundation, as well as a Cultural Consultant for the Malama 'Aina Foundation. He served as the Royal Hawaiian Band Bandmaster from 1981 to 2005 and as Associate Conductor of the Honolulu Symphony Orchestra from 1989 to 1997.

Mr. Mahi's background in Hawaiian culture and the arts will provide the Land Use Commission with a unique blend of skills to further the mission and objectives of the Commission with cultural sensitivity.

As affirmed by the records of votes of the members of your Committee on Water and Land 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, 3 (Ihara, Shimabukuro, Taniguchi).

**SCRep. 3498 Water and Land on Gov. Msg. No. 702**

Recommending that the Senate advise and consent to the nomination of the following:

LAND USE COMMISSION

G.M. No. 702 EDMUND ACZON, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Edmund Aczon to possess the requisite qualifications to be nominated to the Land Use Commission.

Your Committee received testimony in support of the nominee from the Land Use Commission; Department of Business, Economic Development, and Tourism; Department of Labor and Industrial Relations; Department of Transportation; Agribusiness Development Corporation; Mayor of the County of Hawaii; Hawaii Laborers' Union; The Pacific Resource Partnership; George Hao & Associates;

ILWU LOCAL 142, Hawaii Laborers-Employers Cooperation and Education Trust; Kai Hawaii; Hawaii Operating Engineers Stabilization Trust Fund; Hawaii Regional Council of Carpenters; Royal Contracting Company; S&M Sakamoto, Inc.; United Public Workers, AFSCME, Local 646, AFL-CIO; Hawaii Masons' Union; General Contractors Association of Hawaii; Nan, Inc.; Hawaiian Dredging Construction Company Inc.; Nalo Farms; SSFM International; Imanaka Asato, LLC; Pat Lee & Associates, LLC; Nordic Construction PLC; The Filipino Community Center; Shoi Construction, Inc.; O'ahu Arts Center; and numerous individuals.

Edmund Aczon was educated in the Philippines, where he received instruction and training in construction-related fields. He is currently the Community Relations Director and Manpower Specialist at the Hawaii Regional Council of Carpenters, a position he has held since 2004. From 2003 to 2013, Mr. Aczon worked as a Field Representative for United States Senator Daniel K. Inouye. Mr. Aczon was also the President/Secretary/Treasurer of Aczon Construction, Ltd., and the owner of Aczon Construction, a masonry contractor. He is a member of and has served in various officer capacities with the Building Industry Association of Hawaii, National Association of Homebuilders, Build-PAC Hawaii, Hawaii Construction Industry Association, Hawaii Strategic Development Corporation of Hawaii, Oahu Workforce Investment Board, and other associations. Mr. Aczon is the recipient of numerous awards from local and national business and construction entities. Your Committee believes that Mr. Aczon's wealth of experience in the construction industry will enable him to deliberate and contribute to discussions regarding the complex land use issues before the Land Use Commission.

As affirmed by the record of votes of the members of your Committee on Water and Land 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, 3 (Ihara, Shimabukuro, Taniguchi).

**SCRep. 3499 Water and Land on Gov. Msg. Nos. 647 and 648**

Recommending that the Senate advise and consent to the nominations of the following:

KOKEE STATE PARK ADVISORY COUNCIL

G.M. No. 647 DAVID ALEXANDER, for a term to expire 6-30-2014; and

G.M. No. 648 DAVID ALEXANDER, for a term to expire 6-30-2018 (term amended to 6-30-2017 by GM688)

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds David Alexander to possess the requisite qualifications to be nominated to the Kokee State Park Advisory Council.

Your Committee received testimony in support of the nominee from the Department of Land and Natural Resources.

David Alexander is an Assistant at Restore, Habitat For The Humanities, located in Hanapepe, Kauai. He received a Bachelor of Science degree in Environmental Studies from the University of Vermont at Burlington, Vermont. Mr. Alexander worked for five years as a Biological Science Technician for the United States Geological Survey Biological Research Division in Koke'e, Kauai. He also worked as a Conservation Technician at the Koke'e Resource Conservation Program for seven years. Your Committee is confident that Mr. Alexander will make significant contributions to the Koke'e State Park to the Advisory Council.

As affirmed by the records of votes of the members of your Committee on Water and Land 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, 3 (Ihara, Shimabukuro, Taniguchi).

**SCRep. 3500 Water and Land on Gov. Msg. No. 705**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 705 THOMAS OI, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Thomas Oi to possess the requisite qualifications to be nominated to the Board of Land and Natural Resources.

Your Committee received testimony in support of the nominee from the Department of Land and Natural Resources, East Kauai Soil and Water Conservation District, Hawaii Government Employees Association, and fourteen individuals.

Thomas Oi has held a State of Hawaii Professional Land Surveyor's Certificate since 1996 as well as a State Land Court License Certificate since 1997. Mr. Oi is the owner of Tommy Oi Land Surveyor LLC, in Lihue, Kauai. He also worked as a surveyor with the firm of Kutake, Portugal & Ibara, Inc., on the island of Kauai. His duties there included topography, boundary, and construction surveying. Mr. Oi served as the Kauai District Land Agent for the Department of Land and Natural Resources' Land Division for over eight years, and he worked previously as a Land Boundary Surveyor for the Department of Accounting and General Services and as a licensed Land Surveyor in the Highways Design Cadastral Engineering Section of the Department of Transportation. He is familiar with rules, regulations, and statutes concerning Land Court System surveys.

Thomas Oi possesses a wealth of knowledge about the land and natural resources on Kauai, having worked in land surveying on Kauai for many years. Your Committee finds that he will be a tremendous asset to the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water and Land 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, 3 (Ihara, Shimabukuro, Taniguchi).

**SCRep. 3501 Water and Land on Gov. Msg. No. 703**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 703 MICHAEL BUCK, for a term to expire 6-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Michael Buck to possess the requisite qualifications to be nominated to the Commission on Water Resource Management.

Your Committee received testimony in support of the nominee from the Department of Land and Natural Resources, Department of Health, Enterprise Honolulu, The Nature Conservancy, and six individuals. Your Committee received testimony in opposition to the nominee from one individual.

Mr. Buck holds a Master of Science degree in Forest Resource Conservation and a Certificate in Tropical Agriculture from the Institute of Food and Agricultural Sciences, University of Florida, in Gainesville. He received a Bachelor of Science degree in Resources Management, School of Environmental Sciences and Forestry, at the State University of New York, Syracuse, New York.

Mr. Buck is a farmer in Waimanalo, Oahu. He is also the Sustainable Forests Representative for the National Association of State Foresters. From 1977 to 2004, Mr. Buck served in the Department of Land and Natural Resources as a State Forester and Wildlife Director, Natural Area Reserves Coordinator and Resources Management Forester, and Resource Survey Forester for the Division of Forestry and Wildlife. The nominee played a leadership role in establishing Hawaii's Watershed Partnerships Program and developed management plans and operational capacity for Hawaii's Natural Area Reserves System. Mr. Buck is active in professional organizations dedicated to the preservation of forest and water resources, as well as community organizations.

As affirmed by the record of votes of the members of your Committee on Water and Land 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, 3 (Ruderman, Shimabukuro, Taniguchi).

**SCRep. 3502 Water and Land on Gov. Msg. No. 554**

Recommending that the Senate advise and consent to the nomination of the following:

KANEOHE BAY REGIONAL COUNCIL

G.M. No. 554 MAURICE RADKE, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Maurice Radke to possess the requisite qualifications to be nominated to the Kaneohe Bay Regional Council.

Your Committee received testimony in support of the nomination of Maurice Radke from the Department of Land and Natural Resources.

Maurice Radke worked for the United States Navy Pacific Fleet Headquarters, where he recruited and led eight working groups through team formation and development, brainstorming, analytical problem solving, prioritization, plans of actions, and milestones for completion to improve efficiency of the staff. The nominee also served as battle force Command Master Chief, a position in which he effectively communicated with over five thousand service members and their families by generating over one hundred news articles, creating a widely renowned family news-gram, and initiating a teleconference program that served four hundred deployed service members. Mr. Radke was also the Public Relations Chairman for the Rotary Club of Waikiki.

More specifically, Mr. Radke's background in management and marine affairs will provide the Kaneohe Bay Regional Council with a unique blend of skills to further the mission and objectives of the Kaneohe Bay Regional Council.

As affirmed by the record of votes of the members of your Committee on Water and Land 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, 3 (Ruderman, Shimabukuro, Taniguchi).

**SCRep. 3503 Technology and the Arts on H.C.R. No. 200**

The purpose and intent of this measure is to request the Department of Accounting and General Services and the State Foundation on Culture and the Arts to place a peace pole sculpture near the Katsu Goto Memorial and recognize the efforts of the community of Honoka'a, the Honoka'a Peace Committee, and the importance of commemorating Peace Day.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and State Foundation on Culture and the Arts.

Your Committee finds that Hawaii designated September 21, 2006, as Peace Day to promote peace programs, improve international relations, and increase educational awareness of peace. The community of Honoka'a has recognized Peace Day since it was established and celebrates Peace Day with an annual Peace Day Parade and Festival. Peace poles are an internationally recognized symbol of the mission of Peace Day, with tens of thousands of peace poles located in nearly every country in the world. A peace pole structure located near the Katsu Goto Memorial will recognize the community of Honoka'a and the Honoka'a Peace Committee and encourage the community to continue to observe and celebrate Peace Day.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 200, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Tokuda).

**SCRep. 3504      Ways and Means on H.C.R. No. 140**

The purpose and intent of this measure is to request the Director of Human Services, in collaboration with providers, to rebase the basic prospective payment system rates for intermediate care facilities for individuals with intellectual disabilities that serve Medicaid recipients to be effective July 1, 2015, for the fiscal year ending June 30, 2016, by using cost reports from providers from the base year ending June 30, 2013.

In addition, this measure urges the Director of Health to include sufficient funding in its 2015-2017 biennium budget to cover any increase in basic prospective payment system rates resulting from the rebasing.

The Department of Health, the State Council on Developmental Disabilities, and The Arc in Hawaii provided testimony in support of this measure. The Department of Human Services provided comments.

Your Committee finds that current basic prospective payment system rates based on cost reports from providers for the base fiscal year ending June 30, 2005, coupled with the suspension of mandated inflation adjustments since fiscal year 2012, have resulted in inadequate and disproportionate Medicaid payments for the care of individuals with intellectual disabilities. Furthermore, section 17-1739.2-17, Hawaii Administrative Rules, requires the Department of Human Services to rebase basic prospective payment system rates using updated cost report data and at a frequency that ensures that a provider does not have its rates calculated by reference to the same base year for a period of more than eight state fiscal years. The last rebasing of the basic prospective payment system rates took effect on July 1, 2007. This measure seeks to ensure that the Department of Human Services will rebase the basic prospective payment system rates to be effective July 1, 2015, in compliance with the Hawaii Administrative Rules.

Your Committee further finds that the daily cost for intermediate care facilities for individuals with intellectual disabilities is higher than the amount that Medicaid payment rates cover and any additional delay in rebasing will heavily burden operators of intermediate care facilities for individuals with intellectual disabilities. Your Committee believes that this measure will allow for sufficient rebasing of basic prospective payment system rates to allow intermediate care facilities for individuals with intellectual disabilities to continue providing essential and critical services.

As 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. 140, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, Dela Cruz, Tokuda, Slom).

**SCRep. 3505      Economic Development, Government Operations and Housing on Gov. Msg. No. 693**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF DIRECTORS OF THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

G.M. No. 693    PAUL KYNO, for a term to expire 6-30-2018

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Paul Kyno to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Housing Finance and Development Corporation.

Your Committee received testimony in support of Paul Kyno from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and five individuals.

Mr. Kyno founded the Kauai Housing Development Corporation, a local nonprofit organization that specializes in affordable and special needs housing development. As the Executive Director of the Corporation, he was able to bring about the completion of the Lihue Theater Elderly Housing project and the Hale Kupuna housing project in Kalaheo. Mr. Kyno has served on the Hawaii Housing Finance and Development Corporation Board of Directors since 2011. He is also a member of the Kauai Board of REALTORS and Kauai Disaster Fund, and previously served as the State's representative on the Federal Home Loan Bank of Seattle's Affordable Housing Advisory Council.

Mr. Kyno indicated in his personal statement that because of his private sector experience in planning and building affordable housing, he knows what it takes to cultivate the new crop of affordable housing developments.

Your Committee finds that Mr. Kyno's past experiences, as well as his continuing commitment to affordable housing in Hawaii, will be great assets to the Board of Directors.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations 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, 1 (Chun Oakland).

**SCRep. 3506 Economic Development, Government Operations and Housing on Gov. Msg. No. 691**

Recommending that the Senate advise and consent to the nomination of the following:

STADIUM AUTHORITY

G.M. No. 691 MICHAEL IOSUA, for a term to expire 6-30-2018

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Michael Iosua to possess the requisite qualifications to be nominated to the Stadium Authority.

Your Committee received testimony in support of Michael Iosua from the Department of Accounting and General Services, Stadium Authority, and ten individuals.

Mr. Iosua is a practicing attorney with experience in real estate, land use, and legislative drafting. Previously, he served as Assistant Attorney General in American Samoa. He holds a Bachelor's degree in Economics from the University of Hawaii and a Master's degree in Business Administration and Juris Doctorate from Brigham Young University.

Mr. Iosua indicated in his personal statement that his desire to serve on the Stadium Authority arises from his fond memories playing at Aloha Stadium as a member of the University of Hawaii football team. He would like to see Hawaii's youth and others develop their own fond memories of Aloha Stadium as either a participant or spectator.

Your Committee finds that Mr. Iosua's past professional experiences in law and business as well as his collegiate athletic experiences will be great assets to the Stadium Authority.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations 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, 1 (Chun Oakland).

**SCRep. 3507 Economic Development, Government Operations and Housing on Gov. Msg. No. 597**

Recommending that the Senate advise and consent to the nomination of the following:

STADIUM AUTHORITY

G.M. No. 597 ROSS YAMASAKI, for a term to expire 6-30-2018

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Ross Yamasaki to possess the requisite qualifications to be nominated to the Stadium Authority.

Your Committee received testimony in support of Ross Yamasaki from the Department of Accounting and General Services, Stadium Authority, and seventeen individuals.

Mr. Yamasaki is currently President and Partner of KYA Sustainability Studio, a unique think tank and sustainability consultancy that provides sustainability master planning and programming, sustainable business development, and corporate social responsibility reporting for clients in the public and private sectors. As the driving force and founder behind the KYA Sustainability Studio, Mr. Yamasaki is passionate about investing in local talent and transforming perceptions of Hawaii in order to navigate the future of Hawaii's sustainable enterprise. At KYA Design Group, he has over twenty years of architectural experience and has been involved in many projects involving planning, development, design, and construction. Mr. Yamasaki also holds a Bachelor of Arts in Sociology and Master of Architecture from the University of Hawaii.

Mr. Yamasaki indicated in his personal statement that he sees an enduring need for a large scale sports and entertainment venue in Hawaii to serve both the local interests as well as those of the visitor industry. He anticipates that this challenge is one of solvency and sustainability.

Your Committee finds that Mr. Yamasaki's professional background in architecture, sustainability and marketing, community interests in sports and the visitor industry, and personal history will be great assets to the Authority.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations 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, 1 (English).

**SCRep. 3508 Economic Development, Government Operations and Housing on Gov. Msg. Nos. 594, 595, and 596**

Recommending that the Senate advise and consent to the nominations of the following:

ENHANCED 911 BOARD

- G.M. No. 594 ROY IREI, for a term to expire 6-30-2016;  
 G.M. No. 595 STEVEN SCHUTTE, for a term to expire 6-30-2016; and  
 G.M. No. 596 JEFF RIEWER, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories and statements submitted by the nominees and finds Roy Irei, Steven Schutte, and Jeff Riewer to possess the requisite qualifications to be nominated to the Enhanced 911 Board.

ROY IREI

Your Committee received testimony in support of Roy Irei from the Department of Accounting and General Services and seven individuals.

Mr. Irei is currently the General Manager of T-Mobile USA and responsible for all aspects of T-Mobile USA's operations in Hawaii. His accomplishments include taking the company from the third largest wireless phone company in 2001 to the number one wireless carrier in Hawaii in 2007. He also holds a Bachelor's degree in Business Administration from the University of Hawaii.

In the past, Mr. Irei served as Chairman of the Wireless Enhanced 911 Board from 2004 to 2008, which successfully launched the enhanced 911 service within eighteen months statewide.

Your Committee finds that Mr. Irei's past experiences, as well as his continuing commitment to public safety, will be great assets to the Board.

STEVEN SCHUTTE

Your Committee received testimony in support of Steven Schutte from the Department of Accounting and General Services and fourteen individuals.

Mr. Schutte is currently the Government Account Executive for Verizon Wireless and represents Hawaii government agencies and nonprofit organizations and their employees. Previously, he also served as Market Manager of T-Mobile Engineering and Operations for several years. He holds a Bachelor's degree in Speech Communications from the University of Hawaii.

In the past, Mr. Schutte served as Vice Chair of the Enhanced 911 Board from 2004 to 2005 and Chair from 2005 to 2007. During his tenure, the Board successfully launched Phase II service, which enabled public-safety answering points to view the caller's phone number and an estimated location of the caller.

Mr. Schutte indicated in his personal statement that the role of the Enhanced 911 Board is not only to provide guidelines and assistance to the public-safety answering points, but to have a fiduciary responsibility to the general public.

Your Committee finds that Mr. Schutte's past experiences will be great assets to the Board.

JEFF RIEWER

Your Committee received testimony in support of Jeff Riewer from the Department of Accounting and General Services and five individuals.

Mr. Riewer is currently the Lead Network/Sales Support Manager and Enhanced 911 Coordinator for AT&T Wireless in Hawaii and is responsible for coordinating all Enhanced 911 scheduling, call testing, and datafill between AT&T Hawaii and Hawaii public-safety answering point personnel. He has over fourteen years of experience in the wireless communications field as a Manager of Operations, Field Manager, Technical Manager, and Wireless Technician. He holds Bachelors of Science in History and Political Science from the University of Montana. He also has been attending Enhanced 911 Board meetings as a civilian volunteer for over two years.

Mr. Riewer indicated in his personal statement that he believes his background and expertise in wireless networks will bridge any gaps between wireless network providers and public-service action points in the State.

Your Committee finds that Mr. Riewer's past experiences, as well as his continuing commitment to technological advances in wireless networks, will be great assets to the Board.

As affirmed by the records of votes of the members of your Committee on Economic Development, Government Operations 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, 6. Noes, none. Excused, 1 (English).

**SCRep. 3509 Economic Development, Government Operations and Housing on Gov. Msg. No. 584**

Recommending that the Senate advise and consent to the nomination of the following:

ADMINISTRATOR OF THE STATE PROCUREMENT OFFICE

- G.M. No. 584 SARAH-JANE ALLEN, for a term to expire 10-15-2017

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Sarah-Jane Allen to possess the requisite qualifications to be nominated as Administrator of the State Procurement Office.

Your Committee received testimony in support of Sarah-Jane Allen from the Department of Business, Economic Development, and Tourism; Department of Accounting and General Services; Department of Transportation; Department of Human Services; Hawaii Housing Finance and Development Corporation; The Pacific Resource Partnership; Hawaii Construction Alliance; American Council of Engineering Companies of Hawaii; Laborers' International Union of North America Local 368; Building Industry Association of Hawaii; and forty-one individuals.

Ms. Allen is currently the Acting Administrator for the State Procurement Office, a position she has held since November 2013. During this time, she has demonstrated to be a strong leader with effective communication skills and an innovative and forward-thinking vision of procurement. During her short time as Acting Administrator, Ms. Allen has already taken the initiative to reach out to the different State agencies and jurisdictions to share their best practices for procurements. She also holds a Bachelor of Commerce from the University of Southern Africa, Master of Contracts Management from American Graduate University, and a Global Executive Master of Business Administration from George Mason University.

Ms. Allen's procurement experience includes seven years of consulting at the National Geospatial Intelligence Agency, most notably as the Executive Advisor to the Special Procurement Executive, where her team managed the cross-functional initiative, Agile Acquisition. She also has fourteen years of contracting and acquisition experience, which includes time in the United States Air Force.

Ms. Allen indicated in her personal statement that she hopes to be able to offer constructive training and mentoring to those in the State who are procuring with taxpayer's money; encourage innovative and streamlined procurements that are on time, within budget, and successful; support those who create great procurements; ensure responsible, professional, and accountable procurement in line with codes and rules; and elevate those who procure for the State by educating them and giving them the tools to procure more efficiently and effectively.

Your Committee finds that Ms. Allen's past experiences with procurement, as well as her continuing commitment to innovative procurement practices, will be great assets as Administrator of the State Procurement Office.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations 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, 1 (English).

**SCRep. 3510 Economic Development, Government Operations and Housing on Gov. Msg. No. 557**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

G.M. No. 557 LEIGH-ANN MIYASATO, for a term to expire 6-30-2018

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Leigh-Ann Miyasato to possess the requisite qualifications to be nominated to the Board of Directors of the High Technology Development Corporation.

Your Committee received testimony in support of Leigh-Ann Miyasato from the High Technology Development Corporation, Hawaii Strategic Development Corporation, and twenty-seven individuals.

Ms. Miyasato is the founding President and Executive Director of the Entrepreneurs Foundation of Hawaii, a nonprofit organization whose mission is to encourage entrepreneurial companies to engage in community service and philanthropy. As Executive Director, she is responsible for member recruitment, event planning, fund development, board relations, community relations, finance, and administration. Previously, Ms. Miyasato served as Vice President of Administration and Finance for DragonBridge Capital, LLC, a merchant bank that assisted Chinese technology companies, and Executive Director of HiBEAM, an accelerator for Hawaii technology startups. She holds a Bachelor of Arts degree from Stanford University and Juris Doctorate from the University of California at Berkeley.

In the past, Ms. Miyasato has worked with entrepreneurs and businesses in the Hawaii technology sector. She is familiar with many High Technology Development Corporation tenants and clients and the Corporation's programs for entrepreneurs.

Ms. Miyasato indicated in her personal statement that she hopes to find innovative and effective ways to support entrepreneurs and to expand the technology sector in Hawaii.

Your Committee finds that Ms. Miyasato's past experiences, as well as her continuing commitment to issues related to entrepreneurs and businesses in Hawaii, will be great assets to the Board.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations 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, 1 (English).

**SCRep. 3511 Economic Development, Government Operations and Housing on Gov. Msg. No. 503**

Recommending that the Senate advise and consent to the nomination of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 503 HARRIS NAKAMOTO, for a term to expire 6-30-2015

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Harris Nakamoto to possess the requisite qualifications to be nominated to the Small Business Regulatory Review Board.

Your Committee received testimony in support of Harris Nakamoto from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; Laborers' International Union of North America Local 368; ILWU Local 142; and two individuals.

Mr. Nakamoto is the Director of Labor Accounts for Kaiser Permanente and is responsible for a multitude of duties, including developing and implementing an annual strategic account management plan that targets business and membership growth serving local union health and welfare trust funds, managing overall client relationships, and actively engaging clients and consultants in meetings and events that lead to increased membership and the sale of additional benefits into the accounts. Previously, Mr. Nakamoto served as the Chief Operating Officer of 'Ohana Health Plan, a competitive Medicaid and Medicare insurance company. He also holds a Bachelor of Science from the University of Redlands and has studied abroad at Waseda University in Tokyo, Japan.

Mr. Nakamoto indicated in his personal statement that he believes his business background in owning and operating his own small business, as well as his experience in health care, will allow him to continue his work as an advocate of small business in Hawaii.

Your Committee finds that Mr. Nakamoto's past experiences, as well as his continuing commitment to issues related to small business in Hawaii, will be great assets to the Small Business Regulatory Review Board.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations 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, 1 (English).

**SCRep. 3512 (Majority) Economic Development, Government Operations and Housing on Gov. Msg. No. 502**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (KAKAAKO DISTRICT)

G.M. No. 502 BRIAN TAMAMOTO, for a term to expire 6-30-2015

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Brian Tamamoto to possess the requisite qualifications to be nominated to the Hawaii Community Development Authority (Kakaako District).

Your Committee received testimony in support of Brian Tamamoto from the Hawaii Laborers-Employers Cooperation and Education Trust; Laborers' International Union of North America Local 368; Hawaii Construction Alliance; Hawaii Regional Council of Carpenters; The Pacific Resource Partnership; United Public Workers Union, AFSCME Local 646; Building Industry Association of Hawaii; ILWU Local 142; and five individuals.

Mr. Tamamoto is currently the Executive Vice President at Resort Holdings, LLC, and is responsible for oversight and asset management responsibilities for a golf course, hotel, property development, and other administrative duties. He holds a Bachelor of Arts from the University of Hawaii.

Along with his many accomplishments, Mr. Tamamoto was part of a leadership team that purchased Verizon – Hawaiian Telephone Company for \$1,200,000,000. Once the business purchase was made, he was transferred to Hawaiian Telcom and headed labor contract administration and supervised the business unit managers.

Mr. Tamamoto indicated in his personal statement that he hopes to use his range of professional experience to oversee the many rules and regulations from a broader perspective, to engage in community interaction, and to understand and be tolerant of differing opinions.

Your Committee finds that Mr. Tamamoto's past experiences, as well as his continuing commitment to issues relating to development in Kakaako, will be great assets to the Kakaako District Board.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations 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, 5. Noes, 1 (Thielen). Excused, 1 (English).

**SCRep. 3513 Economic Development, Government Operations and Housing on Gov. Msg. No. 623**

Recommending that the Senate advise and consent to the nomination of the following:

SMALL BUSINESS REGULATORY BOARD

G.M. No. 623 BARBARA BENNETT, for a term to expire 6-30-2018



Your Committee has reviewed the personal history and statement submitted by the nominee and finds Barbara Bennett to possess the requisite qualifications to be nominated to the Small Business Regulatory Board.

Your Committee received testimony in support of Barbara Bennett from the Small Business Regulatory Review Board and one individual.

Ms. Bennett is currently the owner and publisher of *For Kauai Magazine*. Kauai Mayor Bernard Carvalho, Jr., proclaimed February 7, 2014, as "For Kauai Magazine Day" and stated that Ms. Bennett's newspaper "brings in-depth community articles, has a vision to support the people and businesses of Kauai by providing a quality print publication and a state-of-the-art website, and is the most read publication on Kauai." Ms. Bennett has served as a member of the Small Business Regulatory Review Board since December 2012. She has also spent over fifty years in the marketplace with a diverse background in food and beverage, agriculture, retail business, sales, publishing, and other areas.

Ms. Bennett indicated in her personal statement that she wants to continue to be a member of the Board because she knows and understands the concerns and challenges of hundreds of small business owners on Kauai.

Your Committee finds that Ms. Bennett's past experience, as well as her continuing commitment to issues related to small business in Hawaii, will be great assets to the Board.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations 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, 1 (Chun Oakland).

**SCRep. 3514 Energy and Environment on Gov. Msg. No. 585**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE OFFICE OF ENVIRONMENTAL QUALITY CONTROL

G.M. No. 585 JESSICA WOOLEY, for a term to expire 6-30-2015

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Jessica Wooley to possess the requisite qualifications to be nominated as the Director of the Office of Environmental Quality Control.

Your Committee received testimony in support of Jessica Wooley from the Department of Transportation, Coordinating Group on Alien Pest Species, Aha Moku Advisory Committee, About Face, Sierra Club of Hawaii, The Humane Society of the United States, and sixteen individuals.

Ms. Wooley is currently the State Representative of Hawaii House District 48 and Chair of the House Committee on Agriculture. During her tenure as a State Representative she has also served as Chair of the House Committee on Culture and the Arts from 2010 to 2012. She holds a Bachelor's degree in Economics from the University of California at Santa Cruz and a Master's degree in Agricultural and Resource Economics and Juris Doctorate from the Boalt Hall School of Law at the University of California at Berkeley.

Along with her many accomplishments, Ms. Wooley has served as Deputy Attorney General from 2000 to 2003, representing the Clean Water, Drinking Water, and Wastewater branches of the Department of Health. From 1998 to 2000, she served as an AmeriCorps attorney for the Legal Aid Society of Hawaii, providing legal representation to Hawaii's most vulnerable families. She has also served as a member of the Papahānaumokuākea Marine National Monument Reserve Advisory Council since 2001.

Ms. Wooley indicated in her personal statement that being the Director of the Office of Environmental Quality Control is a challenge that she must accept because she is needed. As Director, Ms. Wooley said she will do all she can to bring people together from all sides of an issue to resolve problems, work with the administration, provide clear and consistent information, promote transparency and public involvement, and ensure that the agencies receive the best advice possible.

Your Committee finds that Ms. Wooley's past experiences as a leader, as well as her continuing commitment to environmental issues, will be great assets to the Office of Environmental Quality Control.

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; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 3515 Energy and Environment on Gov. Msg. No. 652**

Recommending that the Senate advise and consent to the nomination of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 652 JOSEPH SHACAT, for a term to expire 6-30-2015

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Joseph Shacat to possess the requisite qualifications to be nominated to the Environmental Council.

Your Committee received testimony in support of Joseph Shacat from the Department of Health; Department of Health Compliance Assistance Office; Associated General Contractors of America; Hawaii Laborers' Union; Building Industry Association of Hawaii; Hawaii Laborers-Employers Cooperation and Education Trust; General Contractors Association of Hawaii; S & M Sakamoto, Inc.; King & Neel, Inc.; and nineteen individuals.

Mr. Shacat is currently the Environmental Compliance Manager at Grace Pacific, LLC, and is responsible for all aspects of environmental compliance at industrial and commercial facilities and construction jobsites. During his tenure at Grace Pacific, he has advocated for and accomplished systemic changes within the company to reduce emissions, minimize waste, increase recycling, improve energy efficiency, and utilize alternative resources. In the past, he has also played an active role in volunteer organizations associated with environmental quality, such as the Board of Directors for Honolulu Clean Cities, the Steering Committee for the Environmental Forum of the Associated General Contractors of America, and the Environmental Committee for the General Contractors Association of Hawaii and National Asphalt Pavement Association. He holds a Bachelor of Philosophy from Miami University and Master's degrees in Oceanography and Business Administration from the University of Hawaii.

Mr. Shacat indicated in his personal statement that he views serving on the Environmental Council as an opportunity to give back to the community and integrate his knowledge and understanding of Hawaii's environmental health with other members of the Council.

Your Committee finds that Mr. Shacat's past experiences, as well as his continuing commitment to issues related to environmental regulations that affect businesses in Hawaii, will be great assets to the Council.

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, none.

**SCRep. 3516 Ways and Means on S.R. No. 59**

The purpose and intent of this measure is to request the Hawaii Labor Relations Board to conduct an investigation on public sector collective bargaining grievance arbitrations with regard to factors including costs, the consumption of time, the types of issues, and the frequencies of appeals.

Your Committee received written comments in opposition to this measure from the United Public Workers, AFSCME, Local 646, AFL-CIO.

Your Committee finds that there is a perception that the public sector collective bargaining grievance arbitration process has become overly formalized, complicated, costly, and time-consuming. Your Committee believes that an investigation should be made to determine if the process should be simplified so as to provide a quick, just, and cost-effective resolution to conflicts between public employers and 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 concurs with the intent and purpose of S.R. No. 59, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 4 (Espero, Keith-Agaran, Ruderman, Slom).

**SCRep. 3517 Ways and Means on H.C.R. No. 200**

The purpose and intent of this measure is to:

- (1) Request the Department of Accounting and General Services and the State Foundation on Culture and the Arts to place a peace pole sculpture near the Katsu Goto Memorial; and
- (2) Recognize the efforts of the community of Honoka'a and the Honoka'a Peace Committee, and the importance of commemorating Peace Day.

The Department of Accounting and General Services submitted written comments on the measure.

Your Committee finds that Act 23, Session Laws of Hawaii 2007, designated September 21 of each year as Peace Day to promote peace programs, improve international relations, and increase awareness about the need for peace. Peace Day provides an opportunity for individuals, organizations, communities, and nations to demonstrate their desire for peace. The community of Honoka'a celebrates Peace Day with an annual Peace Day Parade and Festival.

Your Committee further finds that peace poles are monuments that have become internationally recognized symbols of the ideals of Peace Day and that tens of thousands of peace poles are now located throughout the world. Creating a peace pole sculpture near the Katsu Goto Memorial in Honoka'a will recognize the efforts of the community and the Honoka'a Peace Committee to promote peace and will encourage the continued observance and celebration of Peace Day.

As 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. 200, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 4 (Espero, Keith-Agaran, Ruderman, Slom).

**SCRep. 3518 (Joint) Economic Development, Government Operations and Housing and Technology and the Arts and Agriculture on H.C.R. No. 92**

The purpose and intent of this measure is to support and promote the first annual Localicious Hawaii campaign in March 2014, which recognizes local restaurants that are committed to buying local while raising awareness for Hawaii Agricultural Foundation's Ag in the Classroom Veggie U Program by declaring March to be "Localicious Hawaii Month".

Your Committees received testimony in support of this measure from the Hawaii Agricultural Foundation, Hawaii Farm Bureau, Maui County Farm Bureau, and Maui School Garden Network. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the Hawaii Agricultural Foundation is launching its first annual Localicious Hawaii campaign to recognize local restaurants that are committed to buying locally grown produce while also raising funds to support future farmers in Hawaii. Of the more than sixty-five participating restaurants, each restaurant will create a dish incorporating locally grown, raised, or caught products and donate the proceeds to the Hawaii Agricultural Foundation's agricultural education programs. Localicious Hawaii will be held during the month of March to coincide with National Agricultural Day, which was recently celebrated on March 25, 2014.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing, Technology and the Arts, and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 92, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, English, Thielen).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Tokuda).

Agriculture  
Ayes, 4. Noes, none. Excused, 3 (English, Nishihara, Thielen).

**SCRep. 3519 Judiciary and Labor on Jud. Com. No. 3**

Recommending that the Senate consent to the nomination of the following:

**DISTRICT FAMILY COURT OF THE THIRD CIRCUIT, STATE OF HAWAII**

J.C. No. 3 HENRY T. NAKAMOTO, for a term to expire in six years

Your Committee has reviewed the resume and statements submitted by the appointee and finds Henry T. Nakamoto to possess the requisite qualifications to be appointed to the District Family Court of the Third Circuit, State of Hawaii.

Testimony in support of the appointment of Mr. Nakamoto was submitted by the Office of the Corporation Counsel, County of Hawaii; Honorable Lloyd X. Van De Car, District Court of the Third Circuit; KTA Super Stores; and thirty-nine individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors found the appointee to be qualified for the position of District Family Court Judge, Third Circuit, based on established criteria for determining the qualifications of judicial and executive appointments generally using the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Specifically, the Board uses the following criteria in its deliberations: integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, health, and ability to perform the responsibilities and duties required of the position for which the applicant has been nominated. The Board's rating system includes the categories of "qualified" and "not qualified".

Mr. Nakamoto obtained his Bachelor of Arts degree in Economics from Cornell University where he earned Dean's List honors. He later earned his Doctorate of Jurisprudence from the University of California, Hastings College of the Law where he served as the President of the Hawaii Law Caucus, a member of the Asian Pacific Law Students Association, and a Criminal Law Tutor for the Legal Education Opportunity Program.

Mr. Nakamoto currently serves as a Partner and Director at Nakamoto, Okamoto & Yamamoto in Hilo where he focuses his practice on family law, including divorces, paternity actions, custody, child support, and temporary restraining order cases; general civil litigation, including summary possession, collections, and real estate and construction litigation cases; estate planning and probate; real property transactions; and business formation. He previously served as an Associate Attorney at Goodsill Anderson Quinn & Stifel upon graduating from law school.

Mr. Nakamoto is licensed to practice law in Hawaii and is a member of the Hawaii State Bar Association where he served as a Director of the Association's Young Lawyers Division for one term and a member of the Association's Nominations Committee. Of particular note, he served as the President of the Hawaii County Bar Association. He is an active legal volunteer in the community, currently serving as a Court Annexed Arbitration Program (CAAP) arbitrator and an appointed custody evaluator and appointed master for the District Family Court of the Third Circuit. He also takes several divorce cases on a pro bono basis and drafts estate planning documents for parties referred by Volunteer Legal Services. He has drafted legal contracts for nonprofit organizations, such as the Hilo Jaycees and Waiakea Lions Club, and helped to organize and form the Pahoehoe Schools Foundation, Shudokan Judo Club, and Waiakea Pirates Athletic Club.

Testimony in support of Mr. Nakamoto's appointment indicate that he possesses the integrity, skills, and traits necessary to be an effective judge. He has extensive knowledge and experience in family law and has regularly handled contested divorce cases involving property division and child custody for over fifteen years. He moves his cases to conclusion by effectively counseling his clients to

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work toward fair settlements or resolutions of disputed issues. He has skillfully dealt with difficult adversaries in trial and negotiations while maintaining composure and even temperament.

Accordingly, your Committee finds that, based on testimony submitted on his behalf, Henry T. Nakamoto has the experience, temperament, judiciousness, and other competencies to be a District Family Court Judge. He has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for a District Family Court Judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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, 5. Noes, none. Excused, 2 (Gabbard, Ihara).